

THE DOMINION BANK



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

C-4

**SIXTY-SECOND
ANNUAL REPORT
31ST DECEMBER 1932**

THE
DOMINION
BANK

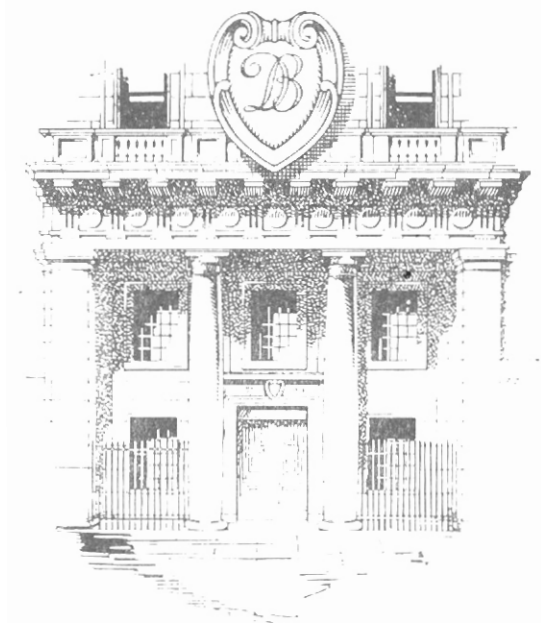


SIXTY-SIXTH
ANNUAL REPORT
31st DECEMBER 1932

SIXTY-SECOND ANNUAL REPORT

1871

1932



THE DOMINION BANK

31st DECEMBER, 1932

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

THE DOMINION BANK

ESTABLISHED 1871

HEAD OFFICE - TORONTO

CAPITAL PAID UP	- -	\$7,000,000
RESERVE FUND	- - -	\$9,000,000
UNDIVIDED PROFITS	-	\$310,773

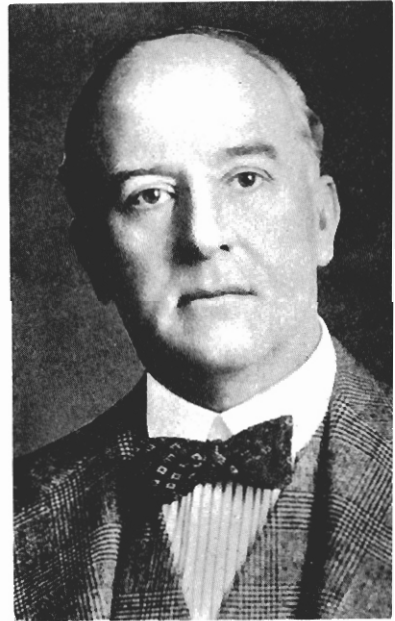
31ST DECEMBER, 1932



ALBERT WILLIAM AUSTIN
Chairman of the Board

Director - - - 1897
Vice-President - 1919
President - - - 1925
Chairman - - - 1933

General Manager - 1906
Vice-President - - 1925
President - - - - 1933



CLARENCE ATKINSON BOGERT
President

BOARD OF DIRECTORS

PRESIDENT
C. A. BOGERT

VICE-PRESIDENT
C. H. CARLISLE

CHAIRMAN OF THE BOARD
A. W. AUSTIN

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

HEAD OFFICE: TORONTO

OFFICIALS

DUDLEY DAWSON	- General Manager
ROBERT RAE	- Assistant General Manager
C. S. HOWARD	- Chief Supervisor
A. H. BAILLIE	- Eastern Supervisor

SUPERVISORS

A. C. ASHFORTH S. C. COOK C. A. PACK

W. B. TANNAHILL - Secretary

FRANK SUTHERLAND - Manager Investment Department

GEORGE RICHARDS - Superintendent of Bank Premises

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	G. Heath Ross	Manager
BELLEVILLE	C. Waite	Manager
BRACEBRIDGE	W. W. Creswick	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. Slight	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.)	J. S. Dean	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)		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	Hugh Hall	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	E. C. Boswell	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
	N. F. Monro	Asst. Manager
Avenue and Davenport Rds.	P. J. Jones	Manager
Bay and St. Albans Sts.	W. E. Lepper	Manager
Bloor and Bathurst Sts.	F. R. Cochran	Manager
Bloor St. and Runnymede Rd.	W. A. Cunningham	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.)	T. W. Joyce	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.)	R. R. Rogers	Acting 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 Hillsdale Ave.)	H. E. Saunders	Manager
McCaul and Dundas Sts.	A. P. Duck	Acting 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) . . .	J. D. Ketchum . . .	Acting Manager
Sherbourne and Queen Sts.	T. C. Glenn	Manager
Spadina Ave. and Adelaide St.	J. Johnson	Manager
Spadina Ave. and College St.	A. E. Colson	Manager
Victoria and Queen Sts.	M. S. Burger	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.	P. G. Wyckoff	Manager
WINGHAM	J. R. M. Spittal	Manager
WOODSTOCK	J. A. Wallace	Manager

QUEBEC

MONTREAL	M. S. Bogert	Manager
	W. J. Dundas	Asst. Manager
Bleury and St. Catherine Sts.	J. K. Muir	Manager
	W. D. Kelly	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. G. Wurtele	Acting Manager
St. Etienne Branch (Christophe Colomb and Bellechasse Sts.)	A. S. Jamicson	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	M. McLeod	Manager
WINNIPEG	R. K. Beirsto	Manager
	C. S. Pim	Asst. Manager
Main St. and Redwood Ave	W. D. Cockerill	Manager
North End (Main St.)	B. E. Elmore	Manager

Director - - - 1928
Vice-President - 1933



* CLIFTON HUGH CARLISLE
Vice-President



DUDLEY DAWSON
General Manager

Entered Service - - - - 1896
Assistant General Manager 1931
General Manager - - - 1933

BRANCHES—Continued

WINNIPEG—Continued

Notre Dame Ave. and Sherbrook St.	P. M. Wass	Manager
Portage Ave. and Kennedy St.	C. O. Bell	Manager
Portage Ave. and Sherbrook St.	A. V. Miller	Manager

SASKATCHEWAN

GRENFELL	C. H. Johnston	Manager
MOOSE JAW	B. E. Hull	Manager
REGINA	W. A. Radcliff	Manager
SASKATOON	L. C. Brown	Manager

ALBERTA

CALGARY	C. W. Jones	Manager
CALGARY, Alberta Stock Yards	J. G. Foggo	Manager
CAMROSE	A. Tomkins	Manager
EDMONTON	M. C. Fraser	Manager
MEDICINE HAT	W. S. Ashley	Manager

BRITISH COLUMBIA

NEW WESTMINSTER	D. McMillan	Manager
VANCOUVER	A. A. Atkinson	Manager
“ Robson and Hornby Sts.	F. Lund	Acting Manager
VICTORIA	J. R. Scoby	Manager

NEW BRUNSWICK

SAINT JOHN	W. A. Fisher	Manager
------------	--------------	---------

LONDON, ENGLAND

3 KING WILLIAM ST., E.C.4	T. Wilding	Acting Manager
	E. W. Booth	Asst. Manager

NEW YORK AGENCY, U.S.A.

49 WALL ST.	A. W. Rice	Agent
-------------	------------	-------

CHIEF CORRESPONDENTS

GREAT BRITAIN	-	-	-	-	Bank of England. Barclays Bank, Limited. Anglo-South American Bank, Limited. British Overseas Bank, Limited. Lloyds Bank, Limited. National Bank of Scotland, Limited. Union Bank of Scotland, Limited.
AFRICA	-	-	-	-	Barclays Bank (Dominion, Colonial and Overseas).
AUSTRALASIA	-	-	-	-	National Bank of Australasia, Limited. Bank of New Zealand. Union Bank of Australia, Limited.
BELGIUM	-	-	-	-	Banque d'Anvers. Credit Lyonnais.
CHINA	-	-	-	-	Chartered Bank of India, Australia and China. 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. Chase Bank.
GERMANY	-	-	-	-	Deutsche Bank und Disconto Gesellschaft.
HOLLAND	-	-	-	-	Amsterdamsche Bank. Nederlandsche Handel-Maatschappij. Rotterdamsche Bankvereniging.
ITALY	-	-	-	-	Banca Commerciale Italiana. Credito Italiano.
JAPAN	-	-	-	-	Mitsubishi Bank, Limited. Mitsui Bank, Limited. Yokohama Specie Bank, Limited. National City Bank of New York.
POLAND	-	-	-	-	Anglo-Polish Bank, Limited.
SOUTH AMERICA	-	-	-	-	Anglo-South American Bank, Limited. National City Bank of New York.
SPAIN	-	-	-	-	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. - - First National Bank of Boston.
National Shawmut Bank of Boston.
- BUFFALO, N.Y. - - Liberty Bank of Buffalo.
Marine Trust Company of Buffalo.
- CHICAGO, ILL. - - Continental Illinois National Bank and Trust
Company of Chicago.
- CLEVELAND, O. - - Union Trust Company.
- DETROIT, MICH. - - First National Bank.
Guardian National Bank of Commerce of
Detroit.
- DULUTH, MINN. - - First and American National Bank.
- LOS ANGELES, CAL. - Bank of America National Trust and Savings
Association.
- MINNEAPOLIS, MINN. First National Bank.
Northwestern National Bank.
- NEW YORK, N.Y. - National City Bank of New York.
Central Hanover Bank and Trust Company.
Chase National Bank of the City of New York.
Corn Exchange Bank Trust Company.
Irving Trust Company.
- PHILADELPHIA, PA. - Central-Penn National Bank.
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. - First National Bank of St. Paul.
- SAN FRANCISCO, CAL. Bank of California, N.A.
Bank of America National Trust and Savings
Association.
- WASHINGTON, D.C. - Riggs National Bank of Washington.

GENERAL STATEMENT, YEAR

<u>ASSETS</u>	
Gold and Silver Coin, current	\$624,979.98
Dominion Government Notes	11,853,104.10
Deposit in the Central Gold Reserves	400,000.00
Notes of other Banks	678,585.00
United States and other Foreign Currencies	37,825.29
Cheques on other Banks	4,936,426.42
Balances due by Banks and Banking Correspondents elsewhere than in Canada	2,710,461.30
	\$21,241,382.09
Dominion and Provincial Government Securities, not exceeding market value	22,407,342.19
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value	4,751,463.17
Railway and other Bonds, Debentures and Stocks, not exceeding market value	2,824,456.28
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	8,023,517.00
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	995,895.10
Deposit with the Minister of Finance for the purposes of the Circulation Fund	324,825.00
	\$60,568,880.83
Other Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	\$53,644,902.27
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	834,004.96
Non-Current Loans, estimated loss provided for	398,326.56
Bank Premises, at not more than cost, less amounts written off	5,980,000.00
Real Estate other than Bank Premises	71,435.17
Mortgages on Real Estate sold	25,565.72
Other Assets not included in the foregoing	143,529.36
	\$61,097,764.04
Liabilities of Customers under Letters of Credit, as per contra	1,250,393.17
	\$122,917,038.04

ENDED 31st DECEMBER, 1932

<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	310,773.19
Dividend No. 201, payable 3rd January, 1933	175,000.00
Former Dividends unclaimed	923.50
	9,486,696.69
Total Liabilities to the Shareholders	\$16,486,696.69
Notes of the Bank in Circulation	\$5,832,230.50
Deposits not bearing interest	\$16,713,773.41
Deposits bearing interest, including interest accrued to date	79,346,873.04
	96,060,646.45
Advances under the Finance Act	1,500,000.00
Balances due to other Banks in Canada	393,628.43
Balances due to Banks and Banking Correspondents elsewhere than in Canada	1,128,410.26
Liabilities not included in the foregoing	265,032.54
	105,179,948.18
Letters of Credit Outstanding	1,250,393.17
	\$122,917,038.04
A. W. AUSTIN, <i>President.</i>	C. A. BOGERT, <i>General Manager.</i>

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, 1932, 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.

W. D. GLENDINNING, C.A.,
of Riddell, Stead, Graham & Hutchison.

Toronto, January 16th, 1933.



HEAD OFFICE - TORONTO.

THE DOMINION BANK

PROCEEDINGS of the Sixty-Second Annual General Meeting of the Shareholders

THE SIXTY-SECOND Annual General Meeting of the Shareholders of The Dominion Bank was held at the Banking House of the Institution, Toronto, on Wednesday, January 25th, 1933, at noon.

Among those present were:

The Rt. Hon. Sir William Mulock, K.C.M.G., R. C. H. Cassels, K.C., W. J. Fleury (Aurora), Joseph Ingleby (Hamilton), C. A. Bogert, J. D. Conklin, Thomas Bradshaw, C. W. Band, J. D. Warde, Walter Wily, J. A. Williamson, C. H. Carlisle, Dudley Dawson, George W. Allan, K.C. (Winnipeg), E. B. LeRoy, Frederick L. Fowke (Oshawa), J. W. Gillbard, M. S. Bogert (Montreal), F. Gordon Osler, Sir Henry L. Drayton, K.C., Robert Rae, Sigmund Samuel, Murray F. Wilson, J. Allan Ross, A. W. Rice (New York), Frank Hunnisett, C. S. Howard, John M. Lyle, R. S. McLaughlin (Oshawa), R. K. Beairsto (Winnipeg), Evan A. Begg, S. C. Halligan, A. C. Ashforth, C. S. Band, R. Y. Eaton, Percival Huffman, Gerald Garland, William Ross, W. L. Matthews, E. H. Baines, Norman Evans (Hamilton), G. Reginald Geary, K.C., M.P., Gordon T. Cassels, H. F. Osler (Winnipeg), A. E. Dymont, J. G. Ramsey, Arthur W. Grasset, W. W. Near, Albert Keeler, W. A. Medland,

Robert Ross, Louis S. McMurray, R. J. Gourley (Winnipeg), W. S. Gray, James Nicholson, Lieut-Col. Baptist L. Johnston, C. W. McMichael, D. G. Hagarty, Charles E. Lee, James Scott, R. M. Bateman, M.D., C. O. Stillman, J. T. Parker, W. A. M. Cook, John B. Kay, F. D. Burbank, William Walker, J. M. Mackie (Montreal), T. W. Duggan (Brampton), J. S. Entwistle, F. Hilton Wilkes, Charles Walker, Arthur Macdonald, Allan McPherson (Orillia), R. B. Duggan, John Scott (Orillia), Frank McCarthy, W. T. H. Selby, Harry Moyle, A. R. Gibson, C. W. Kerr, K.C., C. H. Wickett (Port Hope), James G. Cornell (Scarboro), J. F. Kavanagh (Hamilton), John Jennings, K.C., F. A. Mulholland, C. A. Ross, A. Ritchie.

On motion of Mr. W. W. Near, seconded by Mr. F. Gordon Osler, the chair was taken by Mr. C. A. Bogert, Vice-President and General Manager, and Mr. C. S. Howard was appointed Secretary of the Meeting.

At the request of the Chairman the notice calling the Meeting was read by the Secretary of the Meeting and the Minutes of the last Annual General Meeting were taken as read.

Chairman—Through force of circumstances, I am acting as Chairman at the Sixty-Second Annual Meeting of The Dominion Bank. I feel that you will share with your President, Mr. A. W. Austin, his own great regret that he is not able to be present to-day, through an ailment—not of a serious character—which has prevented him from taking an active part in the direction of the Bank's affairs for some months past. He sends a message of greeting to the Shareholders, and I am sure you would wish me to convey, in reply, your best wishes for his speedy recovery.

We all deeply miss the late Chairman of the Board, Mr. Charles Seward Blackwell, LL.D., who died very suddenly in England on the 23rd of June last. Mr. Blackwell, who had been a client and friend of the Bank practically all his business life, became a Director in 1921 and Chairman of the Board in 1925. He served the Shareholders ably and faithfully—was a constant visitor at the Head Office and in touch with the Bank's important transactions.

Personally, I was always glad to avail myself of his advice and excellent judgment. Notwithstanding his many business activities, Mr. Blackwell found time to take leadership in public service to his fellow-citizens, who will remember him with respect and gratitude.

I also refer, with great regret, to the death of another of your Directors, Mr. Francis Lawrence Patton, which occurred shortly after he attended the last meeting of the Shareholders. He joined The Dominion Bank and was appointed Manager of our Winnipeg Branch in 1897; in 1908 he became Superintendent of Western Branches; in 1920 he was appointed an Assistant General Manager, which position he occupied until he retired in 1930 and became a member of the Board. No banker in Western Canada was held in greater respect and esteem.

As a successor to Mr. Patton, your Directors were fortunate in securing the services of Mr. Robert J. Gourley—connected with many important organizations. He is a successful business man, resident in Winnipeg, and we feel that your interests will be greatly benefited and extended through his lifetime acquaintance with Western affairs.

Mr. A. W. Grasett—Mr. Chairman, I move that Mr. E. H. Baines and Mr. Walter Wily be appointed Scrutineers.

Mr. E. A. Begg—I second the motion. (Motion Carried.)

At the Chairman's request the Secretary of the Meeting read the Directors' Report to the Shareholders and submitted the Annual Statement for the year 1932, certified to by the Shareholders' Auditors.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors beg to present the Sixty-second Annual Statement of the Bank showing the result of operations for the year ended December 31st, 1932, and a Statement of the Assets and Liabilities as of that date, full provision having been made for all doubtful assets:

Balance of Profit and Loss Account, 31st December 1931.....	\$465,209.22
The Net Profits for the year ended 31st December, 1932, amounted to.....	1,179,931.04
	<u>\$1,645,140.26</u>

Which amount has been disposed of as follows:

Dividends (quarterly) Nos. 198 and 199 at Twelve per cent. per annum.....	\$420,000.00	
Dividends (quarterly) Nos. 200 and 201 at Ten per cent. per annum.....	350,000.00	
		770,000.00
Contribution to Officers' Pension Fund.....	50,000.00	
Dominion and Provincial Government Taxation.....	214,367.07	
Written off Bank Premises.....	50,000.00	
		<u>\$1,084,367.07</u>
		560,773.19
Provision for depreciation in Securities	250,000.00	
Balance of Profit and Loss Account carried forward.....	\$310,773.19	
		<u><u>\$310,773.19</u></u>

A. W. AUSTIN,
President.

C. A. BOGERT,
General Manager.

With deep regret we have to record the death, during the year, of two of your Directors. Mr. Charles Seward Blackwell, LL.D., who died on June 23rd, was elected a member of the Board in 1921 and Chairman four years later.

Mr. Francis Lawrence Patton, whose death occurred on March 24th, was elected a Director in 1930, and was the Bank's chief Western representative for thirty-five years.

Mr. Robert J. Gourley, of Winnipeg, was elected to the Board.

No new Branches of the Bank were opened. The following were closed: Bloor Street and Avenue Road, Toronto, Ont., Sprucedale, Ont., High River, Alta.

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

Mr. A. B. Shepherd, C.A., and Mr. W. D. Glendinning, C.A., the Shareholders' Auditors, have completed their annual examination of the Bank's affairs and their Report is attached to the Balance Sheet.

A. W. AUSTIN, President.

16th January, 1933.

Chairman—I will now ask Mr. Dudley Dawson, Assistant General Manager, to analyse and comment on the Annual Statement.

ANALYSIS OF THE PROFIT AND LOSS ACCOUNT AND BALANCE SHEET BY MR. DUDLEY DAWSON, ASSISTANT GENERAL MANAGER

The Profits for the year were \$1,179,931, as compared with \$1,322,287 for the previous period, a decrease of \$142,356. All things considered, we feel that you will regard this as a very satisfactory showing.

The Secretary of the Meeting has given you the detailed disposition made of the earnings. You will observe that the profits amply provided for the payment of Dividends, a contribution to the Officers' Pension Fund, Dominion and Provincial Government Taxation and a write-off of \$50,000 from Bank Premises Account. After these allotments, a balance remained in Profit and Loss Account of \$560,773. From this was deducted \$250,000 for investment reserves, and \$310,773 carried forward.

The total taxes paid by this Bank in 1932—Dominion, Provincial and Municipal—were \$533,358. This is equivalent to 45 per cent of the net earnings for the year and more than 7½ per cent of the capital stock of the Bank.

Ten years ago similar taxes amounted to \$375,610, or 32 per cent of net earnings. Taxes paid in 1932 were seven times greater than they were twenty years ago.

Returning to the Statement, I will deal with the various items:

Notes of the Bank in Circulation were \$5,832,000, a small decrease of \$430,000, due to less activity in general business.

Deposits not bearing interest, \$16,714,000, as compared with \$20,173,000 a year ago, show a decrease of \$3,459,000, an indication that commercial interests have less idle funds at their disposal.

Deposits bearing interest, \$79,347,000, were less by \$5,929,000. An analysis of savings accounts at all Branches clearly shows that there are two outstanding causes for this: subscriptions by the Bank's customers to the Dominion Government loan and other investments, and withdrawal of funds for actual living expenses. Many people are, of course, unemployed, others are receiving reduced remuneration, and until conditions improve there will probably be a further drain upon the savings of the public in all depositories. After all, the main purpose of saving is to provide for a "rainy day."

Relating to Advances under the Finance Act—\$1,500,000—it must be obvious to the Shareholders that with actual cash holdings—Dominion of Canada notes and gold—\$12,478,000, in our vaults at the end of the year, it was not necessary for the Bank to be borrowers under the Finance Act. This \$1,500,000 represents our share of the \$35,000,000 special loan made by the Banks to the Dominion Government in November last.

Letters of Credit Outstanding stood at \$1,250,000, a decrease of \$372,000, reflecting a falling off in importations by the Bank's customers.

The Cash Assets and readily realizable assets indicate a very high ratio of liquidity.

Cash Assets, \$21,241,000—are equivalent to 20.19 per cent of the public liabilities—higher than a year ago by approximately 2 per cent—while readily realizable assets

(including Government, Municipal and other Bonds and Call and Short Loans) \$60,569,000, are equal to 57.58 per cent of the public liabilities as against 54.03 per cent on December 31st, 1931. The Shareholders may be interested to learn that if advances repayable on demand, secured by grain—always a readily saleable commodity and carried under "Other Current Loans and Discounts"—had been included in liquid assets, the percentage to public liabilities would be nearly 67 per cent.

The Bank's total investments are approximately \$30,000,000, of which \$22,000,000 is Dominion and Provincial Government Bonds. Security holdings increased more than \$3,600,000 over the previous year, all of which represent further purchases of Dominion and Provincial Government securities. These investments were entered in the Statement at realizable prices prevailing on the 31st December, 1932. Considering the very large total of the Bank's holdings and as the future market for securities is still somewhat uncertain, your Directors considered it prudent to transfer \$250,000 from Profit and Loss Account to investment reserves to provide for possible depreciation.

Call and Short Loans in Canada, \$8,023,000, decreased \$4,988,000 as compared with the total a year ago. As security to loans under this category are held readily marketable stocks and bonds, with ample margin.

Call and Short Loans Elsewhere than in Canada, \$996,000, are \$187,000 less than at December 31st, 1931. These loans represent advances made in New York and London, England, against first-class securities.

Other Current Loans and Discounts in Canada, \$53,645,000, a decrease of \$7,604,000 from the previous year. With the low price of commodities and the falling off in general trade, the demand for commercial accommodation was naturally smaller than in other years. Notwithstanding this, the Bank was able to keep its funds fairly well employed during 1932.

This Bank has very few Branches in the Prairie Provinces and advances to farmers and ranchers in these districts are

comparatively small. Some agricultural loans will have to be carried for a further period and, quite properly, great leniency is being shown where justified.

Other Current Loans and Discounts Elsewhere than in Canada, \$834,000, show a decrease of \$809,000 and are readily collectible.

Non-Current Loans \$398,000, compare with \$223,000 the previous year.

Bank Premises Account stands at \$5,980,000, a decrease from a year ago of \$51,000. No properties were acquired, nor were any new buildings erected in 1932, and no expenditures for these purposes are at present contemplated. Notwithstanding this, as real estate prices are somewhat uncertain these days, your Directors appropriated a further \$50,000 from the year's profits for depreciation. Approximately \$2,200,000 has been written off Bank Premises Account during the past ten years and your Directors are of the opinion that present values are substantially higher than book figures.

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 \$96,000, a very small amount.

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

Probably all financial institutions conducted their affairs during the past year under conditions more difficult than at any time in the country's history. This Bank, of course, is no exception, but under all the circumstances, your Directors feel that the Report which is presented to-day for your approval, has many favourable features.

The Assistant General Manager has commented in detail on the Balance Sheet, which is before you, and I shall only make very brief references to it. The earnings show a moderate decrease and deposits were at satisfactory levels, but the outstanding feature of the Statement is the large percentage of the Bank's assets that are of a liquid character.

During the last six months of the year your Directors, in common with those of all other banks, considered it advisable to reduce the rate of dividend from 12 per cent to 10 per cent—a conservative action which may be disappointing to some of you, but we think you will agree that the maintenance of a strong liquid position at this time is of much greater importance than a more liberal distribution of profits.

It is timely to mention that from the date of this Bank's foundation, February 1st, 1871, it has continuously paid substantial dividends to the Shareholders—never less than 8 per cent per annum. For some periods bonuses were given as well, as high as 2 per cent from 1913 to 1915. The average rate of disbursement to Shareholders from 1871 to this time, 62 years, is 11 per cent per annum, and the total amount that has been paid in dividends and bonuses is about \$24,500,000, three and one-half times the present Paid-up Capital of \$7,000,000. In addition to this \$7,000,000 of Capital contributed by the Shareholders, I might remind you that your Bank has a Reserve Fund of \$9,000,000, of which more than \$3,000,000 has been accumulated from excess profits earned over a period of years. This Reserve Fund is a strong bulwark, not only for the Bank's depositors and noteholders, but for the Shareholders as well.

As everybody knows, during the past two or three years many people were compelled to dispose of some of their investments, even at sacrifices. Notwithstanding this, you will be interested to know that during the whole twelve months just closed, there were only 1,100 shares of Dominion Bank stock traded in on the various Exchanges—an average of less than four shares per day. No large holdings were liquidated. On the 31st December the total number of Shareholders, or owners, was 2,226—the highest since the Bank was founded and an increase of 49 during the year under review.

Those who addressed you at the last Annual Meeting were, perhaps, wiser than they knew when they refrained from expressing definitely any prediction as to when we might look for more prosperous times throughout the world, and in Canada particularly. As it happens, after another twelve months have passed, there are still many clouds on the horizon.

By way of contrast to the conventional optimism expected at annual meetings nowadays, some of my remarks are intended to strike a different note because many people are still inclined to ignore distasteful facts. To my mind there has been little or no indication of actual business improvement since we met in this room one year ago. Agriculture, lumbering, pulp and paper, fishing, mining (with the exception of gold), building construction and manufacturing all present a picture of flagging industry, low prices and unemployment. Aside from the Imperial Conference—a fine conception of Canada's Premier, from which we are hopeful of lasting results—and the coming International Economic Conference—and to these I will add the invitation extended just a few days ago by the United States Government to Great Britain for a discussion of the war debt problem to take place at Washington early in March—no action so far taken by any nation or government has done much to start the world on the way to recovery. This is plain speaking; I do not wish to be understood as thinking the case without remedy, but only as expressing the conclusion, reluctantly reached, that the curing of our ills may be a long and painful process. Sugar-coated pills are ineffective for present-day ailments—bitter medicine is necessary.

DEBTS

With the world saturated in debt, public and private, how can we expect much better times? As far as Canada is concerned, one thing is as clear as daylight: the Dominion and Provincial Governments of this country, the municipalities, railways, corporations, business-men, families and individuals must balance their budgets and live within their means. Regardless of what measures may be necessary to accomplish this end, or how drastic the sacrifices may be, the age of excessive borrowing must definitely cease and the era of repayment begin.

Notwithstanding every warning, some of our governments and local bodies still appear to be seeking new ways of spending money, and the unwillingness of the public to buy is about the only check there is on the issue of fresh securities. Just now it is an effective one, but any change to a receptive market is certain to bring out willing borrowers, unmindful of what they already owe.

Federal aid has been necessary for some of the Provinces and many municipalities are in difficulties; there is surely a lesson in this—the borrowing powers of all public and private bodies should be overhauled and a stricter control applied. Canada should take heed of the experience of other countries also. A few weeks ago the largest city on the American Continent was within half an hour of default, until its bankers' conditions for additional credit were accepted by an unwilling administration, these conditions being a sharp reduction in expenditures.

RAILWAY SITUATION

The Duff Report is now before the people, who are at last beginning to realize how serious the railway situation really is. Some form of co-operative management of the two roads will undoubtedly have to be put into practice at an early date, and stern business-like economy applied. Track abandonment on a large scale is now under consideration and, let us hope, will become a fact. A distinguished authority has said that 5,000 miles of duplicated track could be scrapped without inconvenience to the public and \$64,000,000 saved annually, which is about what the Canadian National is costing the country every year.

Whatever merit there may be in the St. Lawrence Deep Waterways for the future, there is little to be said in its favour at present. Apart from the enormous expenditures involved, concerning which the various estimates are as wide apart as the Poles, its construction now would be almost the last blow to the railways—fortunately, indefinite postponement of the work appears probable.

DOMINION OF CANADA LOAN

The Dominion of Canada 4 per cent Loan of 1932 was the first Dominion Government offering in many years that did not sell readily; it hung fire for some days, special appeals, public and private, being required to obtain a full subscription list. Criticism of the 4 per cent coupon rate was general, and although the selling price showed a $4\frac{1}{2}$ per cent yield, the public apparently thought it should be higher. The Government, however, very wisely recognizes that the country cannot go on paying war time rates in times of peace. There will have to be another refunding operation this year and people must be prepared to accept a smaller return on the new bonds. As a matter of fact, it is not unreasonable to think that a lower interest rate would be beneficial all around—certainly to the taxpayer, and to the investor as well, if through it the budget is balanced. When that is effected—but not until then—prices of Government securities should logically rise on the principle that a sure 3 per cent or $3\frac{1}{2}$ per cent is better than a doubtful $4\frac{1}{2}$ per cent or 5 per cent.

REVISION OF THE BANK ACT AND CENTRAL BANK

The decennial revision of the Bank Act due this year, but postponed until after the coming World Economic Conference, will be taken up by Parliament in 1934, when I sincerely trust it will be recognized that the Canadian banks have fulfilled their functions most creditably under the present Act and met the test of an extremely eventful and stormy period. Let us remember that the first responsibility of a bank is to its noteholders and depositors; their interests have been fully protected throughout, and consistent with that, the needs of the legitimate borrower have been

supplied. What are the Canadian banks doing? They have given their loyal support to every Dominion of Canada loan and have assisted the Provinces and Municipalities; they have aided the manufacturers and general business, as usual; they have been staunch financial allies of all branches of agriculture from one end of Canada to the other, exercising—and quite properly so—great leniency in innumerable cases of farmer borrowers who, through no fault of their own, are unable to meet their obligations. Notwithstanding all this, the banks are to some extent in disfavour, even in sections where agricultural loans to a very large total are in arrears, as to interest as well as principal. After all, they have made a pretty good job of it and will go on doing so. They have the experience, equipment and resources and, what is more, the people of this country have confidence in them. It is claimed that what Canada needs is a Central Bank. What is meant by this? What are the functions of such a bank and what would be the benefit to Canada? Briefly, a Central Bank is a bank of rediscount for other banks, and has no direct dealing with the public at all. It is virtually an arm of the Government, holding and protecting the gold reserves of the country, issuing and controlling the paper circulation and handling the Government loans and account. It is charged with the responsibility of setting the key rate of the money market—the rediscount rate for prime bankers' bills—to which are linked the rates paid for deposits and charges for commercial loans; upon its policy in this last function depends the ebb and flow of fugitive liquid capital always seeking short-term employment wherever the highest ruling rates can be found. A Central Bank is a necessary attribute to such international markets as London, Paris and New York, and perhaps one or two others, but Canada has no money market in that sense and there seems to be no purpose in setting up the machinery for one. Canada is, and for a long time will be, a constant borrower—she is never a lender—and the international banking function cannot be hers. In the United States the Federal Reserve Banks supply the rediscount and circulation requirements of more than twenty thousand separate unit banks, but in Canada there are only ten banks and their seasonal rediscount needs are always adequately provided for by the facilities of the Finance Act, and with a substantial and welcome profit to the Govern-

ment. A Central Bank could not increase the supply of banking credit by one dollar, nor should it alter the vital principles that surround the lending of money, viz., that the applicant's character and responsibility, together with the security offered, must be satisfactory to the lender.

Another important feature is that circulation requirements have for many years been amply taken care of by the chartered banks through their some 3,780 branches and in fact note circulation is the very foundation of the branch system. Would the country be any better off if the present notes were replaced by those of a Central Bank? I doubt it. At the present time there is scarcely a community in Canada of even a few hundred people, that is not served by at least one bank, and it is no secret that notwithstanding the introduction of many new economies, hundreds of branches are not earning operating expenses. Already many of them have been eliminated—192 last year—and others will have to be discontinued owing to decreasing revenue and increased taxation; if the note issuing privilege were taken away from the Canadian banks and they were compelled to lock up a very large amount of capital in Central Bank notes for "till money," without interest, it would undoubtedly mean a further heavy reduction in banking service in Canada, with great inconvenience to the public.

Throughout this depression, the Canadian banking system has functioned so quietly and efficiently as to win praise from many other countries, and competent observers in the United States do not hesitate to pronounce it much superior to their own.

MECHANICAL POWER AND HAND LABOUR

From past experience, great depressions appear to linger until driven out by some revolutionary industrial change, or new industry, such as the substitution of iron ships for wooden, or steam for sail, an era of new railway building, the introduction of the bicycle, the radio, and, greatest of all, the automobile. We should not, however, look for such a solution of this depression, or at least not in the early future, because the present high state of technical development seems to have anticipated mankind's needs for years

to come. It would be absurd to think that human progress has reached an end, but foolish to expect it to proceed always at the same rapid pace without pause, and there is every reason to conclude the world is now in a stage of arrested development, the length of which we cannot gauge.

Since the first days of mechanical power, machinery has been blamed for unemployment, and that cry is again being raised. At such times as these all past benefits conferred by science are forgotten, and instead every evil is attributed to it, but this is unreasonable. Science has, if you like, produced war devices that can blow a city to pieces in a few hours and destroy human life at the touch of a button. The instruments of science, uncontrolled, can probably also destroy economic life, but there is no more justification for misusing them in the one case than the other, and man who created machinery must control it. Big business is beginning to realize that the replacement of men by machinery, carried to excess, kills the market for the product, and the effort to reduce costs thus defeats itself. In some quarters there is a swing towards hand labour.

Many people are advocating shorter working hours as one means of reviving business, which is not so paradoxical as it may seem. Business revival depends upon restored general buying power, and it is claimed that this could be brought about by a broader distribution of the available employment and wages, shorter working hours and a greater number of paid workers. To derive the full advantage expected from the reduction, the short week rather than the short day is recommended, and Saturday is considered the best day to make free, because from long custom the holiday spirit is then strongest; concentration of leisure—the long week-end—means the opportunity for enjoying it and, what is more important, spending money on enjoyment, which in turn creates more employment. When one recalls that the working day was once twelve, fourteen and even sixteen hours for factory labour, regardless of age or sex, and the gradual reforms that brought about the modern quite general eight-hour day and Saturday half holiday, it is not unreasonable to anticipate further progress along these lines, but it will come by evolution, not legislation, and it is a pleasure to note that some enlightened Canadian industrialists are already giving a lead in this important matter.

FOREIGN TRADE

I need not burden you with actual figures of Canada's foreign trade, which, naturally, shows a large shrinkage since a year ago, but an important point is that the balance has been in our favour for each of the last seven months, and the net showing for the last calendar year is favourable.

This is a good sign, reflecting reduced imports—the result of depreciated exchange—and also determination to dispose of our grain despite low prices. By no means am I advocating one-sided commerce—all sales and no purchases—but Canada's heavy annual maturities and interest on external debt must be met, and we must depend almost entirely upon the surplus in trade account, tourist traffic—which, incidentally is rapidly declining—and gold from the mines. Gold discoveries have helped to provide a cure for depressions in the past; for instance, California in 1849 and the Yukon in 1898. Canada's gold mining industry is at present her most valuable asset, the production last year is estimated at about \$65,000,000 as compared with \$55,000,000 in 1931.

A great deal of prospecting is going on and doubtless the output will continue to expand. For some years the Ontario Government has offered prospectors free education in the rudiments of their calling, and we now have in this Province as fine a body of mining pioneers as can be found anywhere in the world.

IMPERIAL CONFERENCE AT OTTAWA
AND INTERNATIONAL TRADE

The full effects of the Imperial Conference at Ottawa last July are yet to be seen, but the opportunities are now open and ultimate benefits, both to the Mother Country and the Dominions, are probable. Canadian exporters, however, must study the British market, realizing that its standards are high and competition keen. Off-quality, badly-packed produce is not wanted, and ill-conditioned cattle and hogs will not do. The many complaints heard about such matters are justified, and in this connection I would like to read a recent report from the Western Supervisor of this Bank: "It is worthy of note that the differential between the top grade

and inferior cattle is \$2 per cwt., but unfortunately the percentage of the better class of stock is in the minority. The same condition applies to hogs. The select animals command a premium of \$1 per cwt. over other grades, but in the year 1932 less than 10 per cent of the total number marketed in Western Canada were of the best class. It is vital that when exchange conditions improve sufficiently to open the British market, full attention be paid to the quality of the product offered."

Canada, amongst other arrangements, has completed favourable trade treaties with the three great sister Dominions, New Zealand, Australia and South Africa, where Trade Commissioners on the ground are not only willing, but anxious to assist Canadian manufacturers in entering new and profitable markets.

The Canadian market should also be studied by those who wish to share in it. British quality is taken for granted—there is none finer—but that alone is not sufficient. Merchandise must be suitable and, as well, available when wanted. Women are largely the "consumer buyers" in this country, as in most others. Although they like to buy the familiar proven article, they will buy what suits them, but they will not wait for long-dated delivery and are indifferent to any appeal that does not include full value for the money expended. United States periodicals carrying attractive advertising matter circulate so widely in Canada that our domestic standards are mainly the same as that country's, and to obtain a place in the Canadian market the British exporter must direct his salesmanship largely to the women of Canada, remembering that his chief competitor lives next door to the customer.

WORLD ECONOMIC CONFERENCE

The coming World Economic Conference also offers great opportunities to accomplish something really tangible. Surely all nations are by now sufficiently chastened by adversity to willingly drop some part at least of their insularity, and think of the common good. Surely creditor nations must now realize that the overwhelming war obligations of debtor countries must be cancelled or greatly modified, and

the apparent change in attitude of the United States Government already referred to is an extremely favourable sign. Surely delegates will go prepared to give as well as take, and granted that much, a large measure of success in the way of removing trade obstacles and settling exchange problems may be expected.

Once more I would emphasize that progress may be slow, but the steadfast, virile character of the Canadian people has met the test of adversity splendidly and we need entertain no fears as to the ultimate future. Supplies of manufactured goods are low and consumers' demand is gathering strength; returning public confidence will eventually release a great general buying power, and then inroads upon accumulated raw material will begin; the employment of many now idle will be restored; in short, the wheels of commerce will gather momentum. When that day dawns it will be found that Canada is ready and able to proceed on her forward course all the better for her trying experiences. As you will observe by the Statement submitted to-day, The Dominion Bank is in excellent shape to do its part in supplying the legitimate banking needs of its clients whenever trade revives.

Gentlemen—I beg to move the adoption of the Report.

ADDRESS BY MR. C. H. CARLISLE

Before seconding the adoption of the Report, I think it desirable to refer to some of the remarks made by our Prime Minister when speaking in Toronto a few evenings ago. He is a man who speaks plainly and he spoke plainly on one subject that must be of vital importance to all people who are interested in the banks of the country, and that is the subject of inflation. His pronouncement was timely, courageous and instructive and should do much to further strengthen the credit of the country at home and abroad. There has been entirely too much loose, ill-informed talk about currency inflation in Canada, and it is not surprising that bankers and investors in the United States and elsewhere have been somewhat disturbed by it; they may now be assured, however, that there is no fear of Canada entering upon this dangerous course and that the maintenance of her present high credit standing will remain the keynote of her fiscal policy.

This year Government obligations alone, omitting those of corporations, amounting to \$62,000,000, payable in New York funds, total about \$204,000,000, upon which the premium at the present rate approximates \$30,000,000, all of which, of course, falls upon the taxpayer. Some inflationists do not consider this fact important, claiming that in any case foreign payments have to be made from the gold value of exports and what the Government loses by exchange the exporter gains, so that Canada as a whole loses nothing. They therefore favour depreciating the dollar to the level of the pound sterling, which would, they say, enable Canada to increase her exports, stimulate her home trade, reduce unemployment and ultimately raise the internal price level, bringing commodities and debts into better balance, so that business would again be prosperous, and thus return to the public treasury a greater revenue in taxation than the additional exchange premium. This sounds like an attractive solution, but it is not as easy as it seems, for it is always open to other countries to keep step with Canada in inflation or to increase their tariffs, thereby blocking any trade advantage to this country. The history of inflation is that once it begins it is impossible to control. The difference between the present exchange premium of 15 per cent and the 50 per cent which would exist if the dollar were inflated to a

parity with the pound, would mean an additional \$75,000,000 at least, for the Governments to pay, and business profits would certainly have to increase vastly to provide for this through taxation. The present exchange situation is regrettable, but cannot be helped. The discount on the dollar, although substantial, is a true reflection in a free market, of conditions as they are, and Canada's creditors recognize the honesty of her intentions. Artificial inflation, however, is another thing altogether, and were she to take this step confidence in her might be shaken.

One of our cities recently took the extremely ill-advised action of refusing to pay a large amount of New York obligations except in Canadian funds, with an immediate and probably permanent adverse effect upon its own credit and possibly that of the whole country.

In regard to legislation, if you refer to conditions in the United States I think you will find that in no other advanced country of the world is there so much legislation concerning banks and perhaps of the kind which blocks their efficiency. Their National Bank Act requires a volume of 650 pages of fine print; added to this there is the legislation of the forty-eight States. The banking history of the United States shows the results of all this. In England the banks are almost free from the interference of legislation and, apart from the Bank of England, they operate under the Companies Act. English banking commands the respect of the world and the confidence of the people. Canada should learn a lesson from this and keep its banks out of politics and free from restrictive legislation.

Your Chairman has said some very plain things for which I commend him. The problems he refers to all exist and have to be faced, and I think the sooner we get a clear conception of them the easier the solution will be.

Since the decline in business, the latter part of 1929, there has been a tendency to minimize the gravity of the conditions and little serious effort has been made to ascertain the underlying facts that are disturbing our commercial and political conditions. As early as 1930 statements were made, even by leaders in industry, that the bottom of the depression had been reached, that we were well on the upward grade and that 1930 would show as great or greater

activity than 1929. The press even, with helpful intentions, endeavoured to create a spirit of optimism that would aid in solving our problems. I believe that this had a tendency to mislead and cause the people to expect something that would not or could not occur.

We are all aware of the fact that there is a great deal of dissatisfaction among all classes of people and business in nearly all countries of the world. That being true, gives us no excuse for being discouraged, but on the other hand should stimulate us to quick and determined action to solve our problems and to rapidly establish stability within, between and among the different nations and peoples. I am of the opinion that it is necessary to accomplish much this year and also of the opinion that much will be accomplished.

The world is labouring under four hundred billion dollars of indebtedness, and before we can reach stability it means a radical adjustment of these debts. Reparations were assessed at thirty billions, they have been scaled down to seven hundred and fifty millions, and these amounts will have to be further adjusted downward. Many of the countries have internal indebtedness, which at this time is beyond their ability to pay, and especially since the basis of taxation has so materially decreased, such as incomes, volume of sales, etc. The internal indebtedness must be dealt with and economies established, because the practice of borrowing money to pay interest and principal on borrowed money can not successfully become a permanent practice. Neither can we, through excessive taxation, confiscate earnings and property that will in turn impair our commercial activities and put a greater burden upon labour.

Export business has been seriously affected and in many cases made impossible, as at this time there is no means of settlement, that is, we have no adequate form of exchange. Canada has suffered severely in many countries of the world due to this condition. The South American markets are practically closed to us, as they have not the gold with which to pay and we can not use their products; therefore, it will be necessary to establish trade conditions between and among nations, whether we resort to gold standard or other means. At the present time the gold standard has proven itself inadequate.

Another condition I call to your attention is that of competition from the nations whose labour is paid a very low wage. I am inclined to the opinion that this competition will increase very rapidly, and will be one of the most difficult problems with which the Western Continent will have to contend. The world has become exceedingly small through almost instantaneous communication. A generation ago it took the greater part of a year to communicate with the far East, transportation was slow, carrying capacity small and to-day it is speedy with large cargoes. These low priced labour nations, such as Czecho-Slovakia, Japan and China are turning out high grade merchandise, they have introduced modern machinery, which they operate efficiently and wages are being paid as low as 14 cents per day. The Japanese and Chinese have established, and likely will continue to establish, factories in the Federated Malay States where they can get the benefit of the British preferentials, and under these conditions Canadian labour and Canadian manufacturers can not compete, therefore, some means will have to be taken for the protection of the nations whose standard of living is higher than that of Japan and China.

All of these international problems admit of solution. The different countries have statesmen sufficiently able to adjust these matters, but what we need is immediate action to see that they are adjusted on an equitable basis.

As to our own country, we have not much of which to complain. We seem to have two major ills, one is our present very large indebtedness, the other is our railway situation. To my mind the railway presents the more serious problem. The Canadian National Railway has been and is a great drain on our finances, and is putting a very heavy burden upon our people and it would appear unnecessarily so. Our present Government is to be congratulated on the steps it has instigated to remedy this condition. In extreme conditions we usually have to apply extreme measures for correction. I, personally, can see but one way for immediate effectual relief and that is consolidated management of our railway systems, under the supervision of a competent, experienced railroad executive, and further supervised by a small Governmental Board, composed of men with experience and ability, whose interest would be not political, but that of our country.

I take it that the Municipal, Provincial and Dominion Governments are fully aware of our situation and using extreme economy in adjusting our affairs to our present necessity. It is the things that we have done, not the things that we are doing that has brought about our present conditions. The cost of government has recently increased by leaps and bounds. Ordinary expenditures of the Dominion Government have increased per capita since 1913 from \$36.72 to \$88.68 in 1931. Since 1904 to 1931 our population has increased 78 per cent and our expenditures have increased 666 per cent. Our governments in 1931 cost us 216 per cent of the value of all field crops. In 1914 it cost us \$5.80 per capita for educational purposes, in 1931 it cost us \$16.00. For protection of persons and property in 1914, as compared with 1931, it shows an increase of $249\frac{4}{10}$ per cent or nearly seven times the rate of increase in population.

It is not necessary to multiply these examples of what seems to be excessive and unwarranted costs in government, what we need and must have, is more economic administration.

Of all nations, Canada has the least ^ato fear from the depression. It has an enormous wealth, the greatest per capita wealth of any nation in the world, it has an excellent form of government, a highly intelligent people, its lands are productive and its mineral wealth is great, although its value is not fully known at this time. Its financial institutions have stood the acid test since 1929 and are in a sound, safe and excellent condition and our relationship with other peoples are amicable. Canada of to-day, is largely the result of the intelligent effort and toil of those who have preceded us, and it is our duty and charge to preserve that which we have, and to see to it that our institutions are not interfered with and our laws violated in an attempt by others to establish conditions that are foreign to our national life.

We will unquestionably emerge from our present conditions a wiser and stronger people.

I beg to second the adoption of the Report.

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

Mr. James Scott—Mr. Chairman: 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.

Mr. F. L. Fowke—I have pleasure in seconding that motion. (Motion Carried.)

Chairman—We are all very pleased and honoured that Sir William Mulock is present to-day. When the founders of the Bank decided to apply for a Charter the original organization meeting was held in Sir William's law office in 1869, and he was active in the various arrangements until the Bank commenced business in 1871. His firm have been legal advisers of the Bank continuously until this day. He is the only surviving original Shareholder. I will ask Sir William to move the next resolution.

The Rt. Hon. Chief Justice Sir William Mulock, K.C.M.G. —The resolution which I have the honour and pleasure of moving is as follows: That the thanks of this Meeting be given to the President, Vice-President and Directors for their services during the year. I am not a financier and therefore cannot venture to discuss the intricate subject of finance, which is so fully engaging the public mind at this moment, but I did listen to-day with the deepest interest to the observations of our Chairman and of Mr. Carlisle in regard to financial affairs, not only of the Bank but of the country generally. There is great food for thought in Mr. Bogert's address, and I think we all substantially agree with his views. He very correctly stated that there are two fundamental causes of our trouble in Canada, and they are probably applicable to the troubles of other nations, too. One of them is the excessive cost of government, and the other is the loss of international trade. Everybody knows that the cost of administration—Federal, Provincial and Municipal—is excessive, and everybody says so, but what is anybody doing to prevent it? We all expect wiser economy, but until we do something about it we are getting just such conditions as we deserve. We have lost some of our international trade; every country tried to be self-contained, and the trade of the world was brought to a standstill. Who is to blame? No one country in particular, but all countries. It may be a long time before there will be

material improvement, but I like to think it may come sooner than expected. At any rate it will come when the people recover their senses and not before.

However, gentlemen, I did not get up to discuss that subject, but only to move the resolution. Mr. Bogert mentioned that I had some little part in the formation of the Bank, and that since that time I and my successors have acted as its legal advisers. The Bank was founded by men of the old school; men who made their money by hard work, thrift and economy; for example, Mr. James Austin, the President for many years and the father of the President of to-day, who, I am so sorry to learn, is prevented by illness from being present. For over sixty years The Dominion Bank has been carried on under an experienced Board of Directors who have always given it economy of management and honesty of purpose. These are the principles that have been handed down to and adopted by the present Board, and that is why I am going to move this resolution. For sixty years now this Bank has been engaged in the very difficult task of handling banking funds. What a world of experience it must have laid up for itself! When in 1871 it was established we had very dull times, and there was also the great depression of 1890; then a period of good times came to the country, but after that we went through a war, and what greater strain could banking institutions suffer than that? We emerged from the war and gradually passed into another depression, but the flexible nature of the banking system has enabled the banks of Canada to hold their own and command the admiration of the banking world. Hoarded up with the Directors of to-day are the experiences of the past; they have profited by them and brought out what I consider a most splendid Report. We should all feel indebted to our Directors, and, gentlemen, I have pleasure in moving the resolution I have already read.

Mr. Thomas Bradshaw—Mr. Chairman and Gentlemen: It is hardly necessary for me to add to the words of appreciation which have been so well spoken by our good friend, Sir William, but I would like to say, on behalf of myself and all the Shareholders here, that we owe a deep debt of gratitude to the Directors who have so efficiently and so ably managed the affairs of this Bank during the past year. I second the motion. (Motion Carried.)

Mr. R. S. McLaughlin—Mr. Chairman and Gentlemen: As any of you can see by the weekly attendance report of the Directors, we have tried to be assiduous in our duties and have endeavoured to the best of our ability to consider the many problems presented to us during the past year. Any efforts we may have expended are, I am sure, more than compensated for by hearing such a fine tribute from Sir William Mulock and Mr. Thomas Bradshaw. If you desire us to carry on for the next year you may count on our heartiest co-operation, and may rely on our exercising our best judgment in the interests of the Bank.

Mr. R. J. Gourley—Mr. Chairman and Gentlemen: While I have been a member of the Board for a matter of a few months only, I have been associated with this Bank as a customer for a great many years. During that period I have entertained the very highest regard for the care and the ability displayed by the officers in the management of the institution. It is a pleasure to me to be on the Board of the Bank, and I join with Mr. McLaughlin in tendering the thanks of the Directors to Sir William Mulock and Mr. Brandshaw for their very kind remarks.

Sir Henry Drayton—Mr. Chairman and Gentlemen: I am going to say something about the officials, because after all, it is the officers of the Bank who are doing the heavy work. Every one of the Directors will tell you that. The important thing in the minds of all of us to-day is the management of the Bank. The extraordinary thing is that you hear some criticism of our banks; I think the extraordinary thing is that they have done so well, but it is the result of proper management. I have 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. G. R. Geary, K.C., M.P.—Mr. Chairman, I have great pleasure in seconding that motion. (Motion Carried.)

Chairman—I take this opportunity of expressing on behalf of the Directors, to the Shareholders, our appreciation of the loyalty, ability and zeal with which all members of the staff have carried on their duties during the past year, and I am going to ask Mr. Rae, an Assistant General Manager,

and Mr. W. S. Gray, one of our oldest Managers, to respond briefly.

Mr. Robert Rae—Mr. Chairman and Gentlemen: On behalf of the staff I wish to thank you most sincerely for the resolution of thanks which you have passed. The past year has been a particularly strenuous and trying one, and the staff have worked faithfully and hard in your interests. I can assure you that they will continue to serve you loyally and efficiently. It may interest the Shareholders to know that 165 members of the staff of this Bank, out of a total of 1,144, have been in the service for twenty years and upwards. Gentlemen, I thank you.

Mr. W. S. Gray—Mr. Chairman and Gentlemen: Mr. Bogert has kindly referred to my long service. I may say that the past forty years have been very happy ones, with congenial company, and the superiors have been kind. I would like to thank the Shareholders for the resolution, also for the very generous support they have always given the Pension Fund, and I am glad of this opportunity of expressing briefly my sentiments.

Chairman—I will now ask Mr. Carlisle to take the chair.

Mr. Carlisle took the chair.

Temporary Chairman—We have two announcements to make. The first is that your President, Mr. Austin, is retiring from that office owing to ill health, which we all regret. Mr. Austin became a Director of the Bank on the death of his father in 1897; he was later elected Vice-President and ultimately President. He is a man who ever gave his best to the Bank and we will sorely miss him. The other announcement is the retirement of your General Manager, Mr. Bogert. These occurrences, together with the death during the year of two of your Directors, necessitate some changes in the administration of the Bank.

The death of Mr. Patton, referred to by your Chairman, was a great loss; he had been an important asset to the Bank for a long period. We were very reluctant to part with him at the time of his retirement and we will greatly miss him from the Board, but for the information of the Shareholders I wish to state that Mr. Patton's place as your chief Western

representative is now held by Mr. R. K. Beairsto, a man of experience and worth, who has been with the Bank for many years. He has the confidence of the management as well as of the Board of Directors and your interests will be thoroughly and efficiently taken care of by him. The admission to the Board of Mr. Gourley also strengthens your position in the West. The late Mr. Blackwell occupied the office of Chairman of the Board, and the three vacancies—those of Chairman, President and General Manager—will be filled by the Board you elect to-day.

Referring to Mr. Bogert, his record is probably not equalled by that of any other banker in Canada, or perhaps on this Continent. He has been in this Bank for fifty-two years, and General Manager for twenty-seven years. He entered the service in 1881 at the great salary of \$250 per year. If anybody knows what \$250 is and always will know, it is a man who works a whole year for that sum. In 1893 he was appointed Assistant Inspector—watch his promotions—in 1895 Assistant Manager of Toronto Branch; in 1898 he took charge of the first branch opened by the Bank in Montreal; in 1906 he became General Manager, and I wonder if in 1906 the same thought wasn't in the minds of some of the Shareholders that may occur to you to-day. Notwithstanding Mr. Bogert's rapid advance they doubtless wondered if he would succeed as well as his predecessor and what the future of the Bank would be under his management. Twenty-seven years have answered that question. The Bank has succeeded, and so when he steps aside and another takes up the management you may ask yourselves the same question: will the new General Manager guide the Bank as safely as it has been done in the past? This I think, is true—that those who succeed us do their work better and make greater progress than we who give up the reins.

After the long service that Mr. Bogert has given and the success he has achieved, I am sure that every Shareholder of this Bank would care to show his appreciation, not only in words, but in other ways. I will call on Mr. Allan to move a resolution in regard to Mr. Bogert's retirement.

Mr. G. W. Allan, K.C.—Mr. Chairman and Gentlemen: I am constrained to appreciate possibly three things at the moment. The first is that I have come from the silent,

suffering West, the second is that I am facing that clock, and the third is that luncheon is ready. Consequently I will endeavour to say very briefly what I desire to say, and feel that I cannot but permit myself to say before moving this resolution, which is accorded to me, being a resident of the City of Winnipeg, in the West, and is to be seconded by Mr. A. E. Dymont, of Toronto, in the East. I wish to say as one who has lived west of the Great Lakes and who has stuck to the old City of Winnipeg for over fifty years, and one who has had the opportunity to a greater extent than most to know intimately the cities of the West, that from one end of Western Canada to the other, in all the four Provinces, from the head of the Great Lakes to Vancouver, Mr. Bogert has been very affectionately considered, not only by the Shareholders of the Bank resident there, but by all the personnel west of the Great Lakes, by all the customers of the Bank, and widely and generally by the public, as being all that you, Mr. Chairman, have described him. He has always been recognized and known to be a very able banker, one with great experience, great strength and great executive ability. He has always been a constant, warm ally of the West, and one who is thoroughly interested in our troubles and aspirations, one who knows our psychology, feels for us and with us, and who has ever been an abiding friend of the West. I therefore have very much pleasure in moving this resolution: that Mr. C. A. Bogert, retiring from the position of General Manager, be granted an annual retiring allowance, and that the Board of Directors be and are hereby authorized, in their discretion, to determine upon the annual amount to be paid by way of retiring allowance.

Mr. A. E. Dymont—Mr. Chairman and Gentlemen: Knowing Mr. Bogert, as I do, very intimately, I know that this Bank is the closest to his heart; nothing in his life, has ever come between it and him. Mr. Bogert hides his light under a bushel better than any man I know. He wants no compliments, but I do hope he will have many happy and useful years to serve the Bank. That is all I have to say, and I have great pleasure in seconding the motion that has just been proposed.

Temporary Chairman—Gentlemen: You have heard the motion. Is it your pleasure? (Motion Carried.)

Temporary Chairman—I might mention that both Mr. Austin and Mr. Bogert are willing to serve on the Board if that be your wish. We will not lose the benefit of their support and co-operation. I wish to thank you for the unanimous support given to the motion.

Mr. Bogert resumed the chair.

Chairman—Gentlemen: In this age particularly, younger men should be selected for the highest executive appointments, and I have felt for some time—and have so expressed myself to your Directors—that after nearly twenty-seven years in my present position I should be relieved of some of my responsibilities, and in making this suggestion I have placed—as I have always endeavoured to do—the best interests of The Dominion Bank first.

I take some satisfaction in thinking that—as far as I am concerned at any rate—my relations with the Shareholders of The Dominion Bank have always been of the friendliest nature. To-day, I am very deeply appreciative of your action in passing the resolution which you have just heard, as I am of the kindly comments of Mr. Carlisle and those of the Mover and Seconder, Mr. Allan and Mr. Dymont. I often feel that I might have accomplished more, and I am very sensible of my limitations, but I can say, with all sincerity, that I have given of my best.

Although I am fast approaching the allotted span I can imagine Sir William Mulock, whom I have referred to earlier as our oldest Shareholder, but who, after all, is one of the youngest at heart, saying to himself, “Well, I suppose Bogert will now retire to the ranks of the young loafers,” but, as you will observe, my name is before you for re-election to the Directorate and if it is your pleasure that I again be appointed to the Board, it is intended that for a time at least, I continue to take an active daily part in the supervision of the Bank’s affairs.

You will have as the chief Executive Officers of the Bank, Mr. Dawson, Mr. Rae and Mr. Howard, of the Head Office Staff, Mr. Beirsto, who supervises our business in Western Canada, and others—all men of ability and experience who have for many years been faithful and loyal representatives of the Bank.

Mr. James Nicholson—Mr. Chairman and Gentlemen: I have pleasure in moving that the poll be now opened for the election of fourteen 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. W. A. Medland—I second the motion.

(Motion Carried.)

After the ballot was taken the Scrutineers reported that the following had been elected Directors: Messrs. A. W. Austin, C. A. Bogert, C. H. Carlisle, R. Y. Eaton, R. J. Gourley, E. W. Hamber, J. M. Mackie, W. L. Matthews, R. S. McLaughlin, W. W. Near, F. Gordon Osler, J. Allan Ross, C. O. Stillman and H. H. Williams.

Chairman—We are grateful to you for your attendance to-day and the interest you have taken in the Bank's affairs. We shall all be very glad if you will remain for luncheon.

The Meeting then adjourned.

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

Mr. Dudley Dawson was appointed General Manager.

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.

