



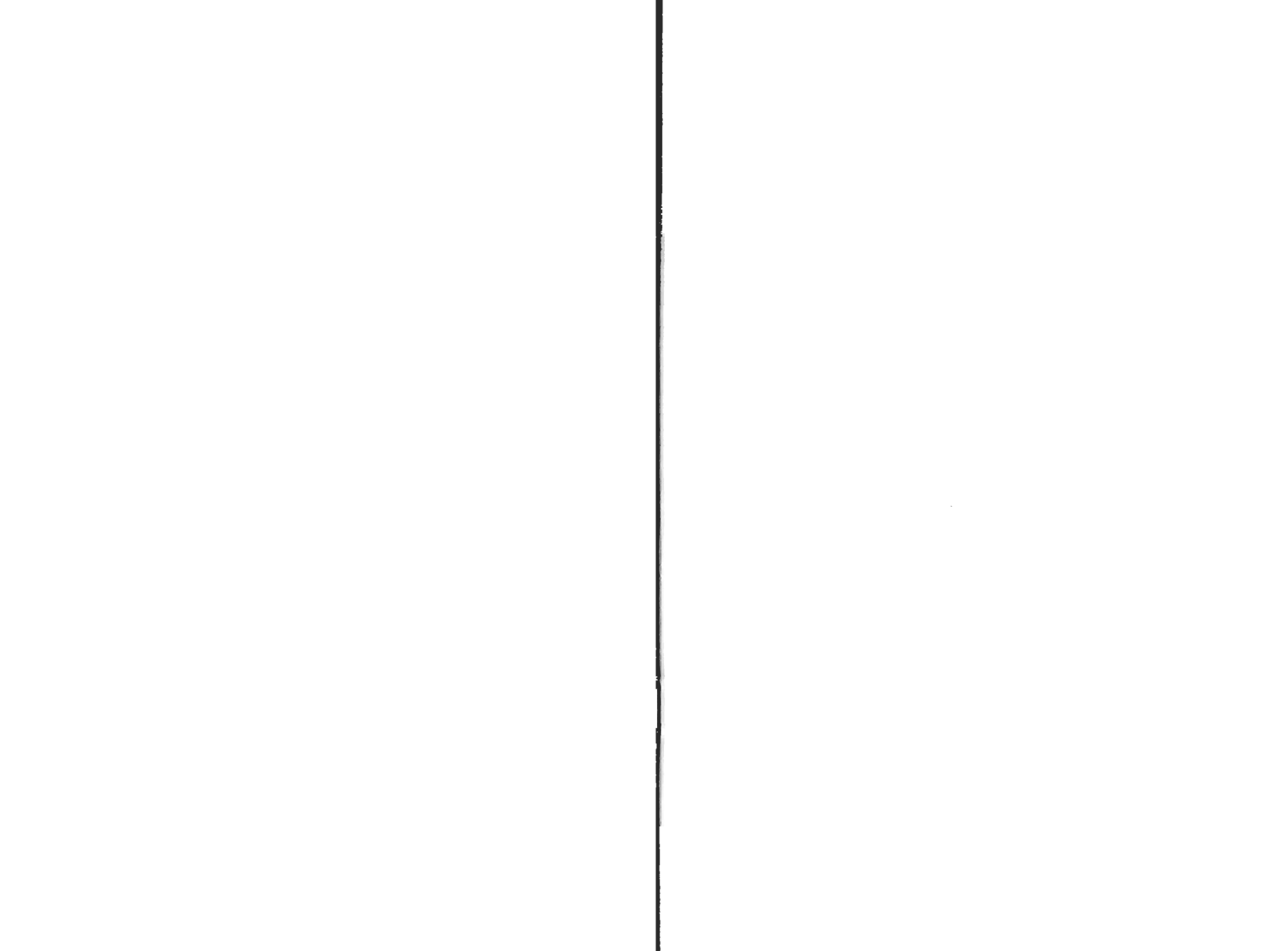
# IMPERIAL BANK OF CANADA

FIFTY ~ SIXTH  
ANNUAL REPORT  
PRESENTED TO THE  
SHAREHOLDERS  
NOVEMBER 26<sup>th</sup>  
1930

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# Imperial Bank of Canada

Head Office: Toronto

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*Established 1875*

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CAPITAL AUTHORIZED . \$10,000,000.00

CAPITAL PAID UP . . 7,000,000.00

**RESERVE FUND . . 8,000,000.00**

Fifty-Sixth Annual Report  
1930

# Imperial Bank of Canada

ESTABLISHED 1875

CAPITAL (AUTHORIZED) - - - - - \$10,000,000.00  
CAPITAL (PAID UP) - - - - - 7,000,000.00  
RESERVE FUND - - - - - 8,000,000.00

## DIRECTORS

FRANK A. ROLPH.....		PRESIDENT
SIR JAMES WOODS.....		VICE-PRESIDENT
J. F. MICHIE	R. S. WALDIE	G. C. HEINTZMAN
J. W. HOBBS	WALTER C. LAIDLAW	JOHN A. NORTHWAY
A. E. PHIPPS	G. H. AIKINS, K.C. (Winnipeg)	H. E. SELLERS (Winnipeg)

## HEAD OFFICE, TORONTO

A. E. PHIPPS, GENERAL MANAGER  
H. T. JAFFRAY, ASSISTANT GENERAL MANAGER  
W. G. MORE, SECRETARY AND SUPERINTENDENT OF BRANCHES  
A. L. OGDEN, CHIEF INSPECTOR  
G. D. RITCHIE, WESTERN SUPERINTENDENT (Winnipeg)  
E. K. BOULTBEE, GENERAL SUPERVISOR

## SUPERVISORS

W. BOURKE                      H. C. HOUSTON  
B. E. HOWARD                P. H. JONES  
W. G. LAIRD

## INSPECTORS

A. C. ROME                      R. CARSON                      P. W. PAIN  
H. RILEY                        R. M. VIRTUE

## BRANCHES

### PROVINCE OF ONTARIO

TORONTO—		
WELLINGTON & LEADER LANE	A. R. MARTIN.....	Manager
(HEAD OFFICE).....	E. N. BATE.....	Assistant
ADELAIDE & VICTORIA STS.....	R. G. WILKINSON.....	"
BATHURST & DUPONT STS.....	L. R. ANDERSON.....	"
BAY & TEMPERANCE STS.....	A. H. SEGUIN.....	"
BLOOR & BATHURST STS.....	K. G. MIGHT.....	"
BLOOR & DURIE STS.....	A. STIRLING.....	"
BLOOR ST. & LANSDOWNE AVE.....	J. W. WILLIS.....	"
No. 78 CHURCH ST.....	W. WALLACE.....	"
CHURCH & CARLTON STS.....	F. TURNER.....	"
DANFORTH & CARLAW AVES.....	D. N. WRIGHT.....	"
DAVISVILLE.....	A. H. WILSON.....	"
DUNDAS & BLOOR STS.....	S. S. JONES.....	"
DUNDAS & JARVIS STS.....	A. T. SMITH.....	"
DUNDAS & VICTORIA STS.....	E. J. CASE.....	"
EGLINTON AVE. & MOUNT PLEASANT		
ROAD.....	C. G. GREEN.....	"
KING & BAY STS.....	W. M. SELLENS.....	"
KING & MARKET STS.....	H. A. INGLIS.....	"
KING & SHERBOURNE STS.....	JOHN THOMSON.....	"
KING ST. & SPADINA AVE.....	W. H. COGHILL.....	"
KING & YORK STS.....	E. H. ANDERSON.....	"
KINGSTON ROAD & BALSAM AVE.....	J. B. ATKINS.....	"
MONARCH PARK & DANFORTH AVES.....	H. T. BEATY.....	"
OAKWOOD AVE. & ROGERS RD.....	T. M. SUTTON.....	"
OLD WESTON ROAD & KEELE ST.....	D. L. McLELLAN.....	"
PAPE & SAMMON AVES.....	B. B. VALE.....	"

TORONTO—(Cont.)

QUEEN & BATHURST STS.	J. M. HOUSTON	Manager
QUEEN ST. & CARLAW AVE.	M. R. MCKEE	"
QUEEN ST. & KINGSTON RD.	H. S. HADGRAFT	"
QUEEN ST. & RONCESVALLES AVE.	H. A. CROSS	"
RUNNYMEDE RD. & ANNETTE ST.	W. H. GREEN	"
ST. CLAIR & BOON AVES.	W. W. FIELD	"
ST. CLAIR AVE. & RUNNYMEDE RD.	J. S. CARTER	"
SILVERTHORN AVE. & ROGERS RD.	M. J. GOULD	"
WEST TORONTO	W. E. CUSLER	"
WELLESLEY & SHERBOURNE STS.	K. H. LOVE	"
WOODBINE & SAMMON AVES.	A. D. LEWIS	"
YONGE & ANN STS.	G. R. MURTON	"
YONGE & BLOOR STS.	J. B. PRIESTMAN	"
YONGE & QUEEN STS.	J. F. SCARTH	"
AMHERSTBURG	C. A. CUDDY	"
AURORA	R. R. BROWN	"
BELWOOD	(Sub Branch to Fergus)	"
BOLTON	C. C. CASE	"
BRANTFORD	C. G. ROYDS	"
CALEDON EAST	(Sub Branch to Bolton)	"
CALEDONIA	M. G. COBURN	"
CHATHAM	T. R. JONES	"
COBALT	F. C. TROTT	"
COCHRANE	A. W. BARLOW	"
CONNAUGHT STATION	(Sub Branch to Timmins)	"
COTTAM	W. J. GOLDEN	"
CRAMPTON	(Sub Branch to Ingersoll)	"
CRYSTAL BEACH	(Sub Branch to Ridgeway)	"
ENGLEHART	E. T. CUTTLE	"
ESSEX	H. M. McKENZIE	"
FERGUS	F. T. KYLE	"
FONTHILL	G. L. GORDON	"
FORT WILLIAM	J. W. THOMSON	"
GALT	H. ROBERTS	"
GOLD PINES (Via Sioux Lookout, Ont.)	G. MENUZ	Acting
GORMLEY	(Sub Branch to Aurora)	"
HAMILTON	F. S. GLASSCO	"
HARROW	N. B. CUMMINS	"
HEARST	E. M. WILSON	"
HUMBERSTONE	F. R. WILSON	"
INGERSOLL	A. O. MURRAY	"
JORDAN	(Sub Branch to Vineland)	"
KAPUSKASING	J. D. PATTERSON	"
KENORA	A. M. OWEN	"
KETTLEBY	(Sub Branch to Schomberg)	"
KIRKLAND LAKE	C. L. CRISDALE	"
KITCHENER	J. B. THOMPSON	"
LEASIDE	T. GRIEVE	"
LISTOWEL	M. R. IIAY	"
LONDON	I. K. JOHNSTON	"
MATHESON	R. E. TRACY	"
NASHVILLE	(Sub Branch to Bolton)	"
NEW LISKEARD	J. H. McCAW	"
NEWMARKET	F. H. HEWSON	"
NEW TORONTO	C. W. TEEPLE	"
NIAGARA FALLS	P. B. REEVE	"
"	D. HUGHES, Jr.	"
"	J. H. ARKELL	"
"	C. E. MERRIMAN	"
NIAGARA-ON-THE-LAKE	C. S. BALL	"
NOBLETON	(Sub Branch to Schomberg)	"
NORTH BAY	L. T. CHARLTON	"
OTTAWA	J. D. HOOD	"
PALGRAVE	(Sub Branch to Bolton)	"
PORT ARTHUR	C. G. T. HARCOURT	"
PORT COLBORNE	E. J. BAKER	"
"	(Sub Branch to Port Colborne)	"
PRESTON	T. R. RICHARDSON	"
QUEENSTON	(Sub Branch to St. Davids)	"
RICHARDS LANDING	G. WELFORD	"
RICHMOND HILL	J. A. GROSKURTH	"
RIDGEWAY	C. A. HAMILTON	"
ST. CATHARINES	J. A. FORSTER	"
"	D. G. P. FORBES	"
"	A. F. ROBERTSON	"
ST. DAVIDS	A. T. MINNIS	"
ST. THOMAS, EAST END	H. W. SCARFF	"
"	M. A. RICHARDSON	"
"	WEST END	"

SANDWICH	E. B. REYNOLDS	Manager
WYANDOTTE ST. & PARTING-TON AVE.	R. H. MONTGOMERY	"
SAULT STE. MARIE	JAS. WALKER	"
"	G. C. DUNLOP	"
"	(Sub Branch to Gore and Queen)	"
"	W. R. RODGER	"
SCHOMBERG	J. A. HODDER	"
SIoux LOOKOUT	F. E. COOPER	"
SOUTH PORCUPINE	A. L. SONLEY	"
SOUTH WOODSLEE	C. W. GRIME	"
STAMPFORD	H. C. SCARTH	"
SUDBURY	W. McGUIRE	"
THESSALON	G. R. NELLES	"
THOROLD	D. SUTHERLAND	"
TIMMINS	E. H. COLEMAN	"
VINELAND	W. T. CARTHEW	"
WALKERVILLE	H. J. ARBUCKLE	"
"	TECUMSEH ROAD	"
WELLAND	J. H. ROLPH	"
WINDSOR	G. J. LACKNER	"
WOODSTOCK	L. R. LLOYD	"

PROVINCE OF QUEBEC

DOLBEAU	S. McCUTCHEON	Manager
MONTREAL	A. R. B. HEARN	"
"	C. S. THOMPSON	Assistant
NORANDA	C. A. KEHOE	"
QUEBEC	G. F. C. LOVE	"

PROVINCE OF MANITOBA

BRANDON	J. A. WETMORE	Manager
GIMLI	(Sub Branch to Riverton)	"
POINT DU BOIS	(Sub Branch to Slave Falls)	"
PORTAGE LA PRAIRIE	H. J. MORGAN	"
RIVERTON	H. M. SAMPSON	"
SLAVE FALLS	(Sub Branch to Winnipeg)	"
WINNIPEG	A. D. DUNCAN	"
"	J. F. MACKAY	Assistant
"	ARLINGTON ST. & WESTMINSTER AVE.	"
"	NORTH END	R. S. McCLAY
"	ST. VITAL	W. M. PORTER
"	"	R. MAVOR

PROVINCE OF SASKATCHEWAN

BALGONIE	M. E. A. MARSHALL	Manager
BROADVIEW	V. J. MANN	"
CANWOOD	P. R. CARTER	"
DAFOE	J. C. B. WILLIAMSON	"
DELMAS	(Sub Branch to North Battleford)	"
DENHOLM	(Sub Branch to North Battleford)	"
EDENWOLD	(Sub Branch to Balgonie)	"
FIELDING	A. MACMILLAN	"
FORT QU'APPELLE	H. WILLSON	"
HAGUE	D. C. HOWELL	"
HANDEL	K. N. ALLAN	"
HEPBURN	L. L. MASON	"
KELFIELD	(Sub Branch to Handel)	"
LAIRD	A. FREESON	"
LEBRET	(Sub Branch to Fort Qu'Appelle)	"
MAYMONT	H. B. McLEISH	"
MCLEAN	(Sub Branch to Balgonie)	"
MEADOW LAKE	J. H. NELSON	"
MOOSE JAW	A. S. ROSENROLL	"
NORTH BATTLEFORD	F. R. MUIR	"
PIAPOT	C. C. FAWCETT	"
PRINCE ALBERT	S. N. DAVIDSON	"
REGINA	W. L. GILLILAND	"
ROSTHERN	P. C. ROUTLEDGE	"
RUDELL	(Sub Branch to Maymont)	"
RUTHILDA	(Sub Branch to Springwater)	"
SASKATOON	F. W. SCRIMES	"
SPRINGWATER	D. MELDRUM	"
WALDHEIM	(Sub Branch to Hepburn)	"
WILKIE	W. P. GRAHAM	"
WISHART	(Sub Branch to Wynyard)	"
WYNYARD	J. B. BLACK	"

# PROVINCE OF ALBERTA

ATHABASCA.....	J. W. McDIARMID.....	Manager
BANFF.....	W. V. GODDARD.....	"
CALGARY.....	A. H. WEAVER.....	"
" EAST END.....	G. I. B. BELL.....	"
DAYSLAND.....	J. BURGOYNE.....	"
ECKVILLE.....	(Sub Branch to Sylvan Lake)	"
EDBERG.....	MARK COOK.....	"
EDMONTON.....	G. R. F. KIRKPATRICK.....	"
".....	L. S. MacKERSY.....	Assistant
" NORWOOD BOULEVARD.....	J. VEREKER.....	"
" SOUTH.....	W. A. PATTERSON.....	"
" WEST.....	H. W. HARRISON.....	"
EDSON.....	J. G. DEACON.....	"
FERINTOSH.....	J. MacGREGOR.....	"
GRANDE PRAIRIE.....	J. A. G. CLOKIE.....	"
JASPER.....	J. M. KINNEAR.....	"
MAYERTHORPE.....	(Sub Branch to Sangudo)	"
MEETING CREEK.....	(Sub Branch to Edberg)	"
MILLET.....	J. A. ENGLISH.....	"
NEW NORWAY.....	J. A. BLACK.....	"
REDCLIFF.....	A. McKENZIE.....	"
RED DEER.....	J. BALLANTYNE.....	"
ROCKY MOUNTAIN HOUSE.....	S. G. HOOKER.....	"
SANGUDO.....	J. H. CLARK.....	"
SYLVAN LAKE.....	F. L. APPLETON.....	"
TROCHU.....	E. REBURN.....	"
WETASKIWIN.....	H. W. WRIGHT.....	"

# PROVINCE OF BRITISH COLUMBIA

CHASE.....	H. J. HAYLOCK.....	Manager
CRANBROOK.....	J. D. MCGILLIVRAY.....	"
CRESTON.....	J. S. W. CLOWES.....	"
FERNIE.....	H. L. REID.....	"
FIELD.....	F. W. CUMMINS.....	"
GOLDEN.....	L. F. A. JOHNSTONE.....	"
INVERMERE.....	A. ASHWORTH.....	"
MICHEL.....	(Sub Branch to Natal)	"
NATAL.....	G. B. TURNER.....	"
NELSON.....	W. R. GRUBBE.....	"
REVELSTOKE.....	W. K. WICKENS.....	"
VANCOUVER.....	J. M. LAY.....	"
".....	J. R. HENLEY.....	Assistant
" FAIRVIEW.....	K. ANDERSON.....	"
" HASTINGS & ABBOTT STS.....	F. B. THOMSON.....	"
VICTORIA.....	J. H. D. BENSON.....	"

# Imperial Bank of Canada

## Principal Agents and Correspondents

CANADA.....	Bank of Montreal
GREAT BRITAIN AND IRELAND.....	Lloyds Bank Limited
	District Bank Limited
	The Commercial Bank of Scotland Limited
	The Munster & Leinster Bank Limited
	Northern Bank Limited
BELGIUM.....	Lloyds & National Provincial Foreign Bank Limited
FRANCE.....	Lloyds & National Provincial Foreign Bank Limited
GERMANY.....	Darmstädter und Nationalbank, K.a.A.
	Dresdner Bank
HOLLAND.....	Rotterdamsche Bankvereeniging
ITALY.....	Banca Commerciale Italiana
NORWAY.....	Bergens Privatbank
SWITZERLAND.....	Lloyds & National Provincial Foreign Bank Limited
UNITED STATES.....	NEW YORK—Bank of Manhattan Trust Company
	International Acceptance Bank Inc.
	Guaranty Trust Co. of New York
	Irving Trust Company
	National City Bank of New York
	The Chase National Bank
	The Bank of America, N.A.
	BOSTON—National Shawmut Bank of Boston
	First National Bank of Boston
	BUFFALO—Marine Trust Company of Buffalo
	CHICAGO—Continental Illinois Bank & Trust Co.
	First National Bank of Chicago
	CINCINNATI—First National Bank
	CLEVELAND—Union Trust Company
	DETROIT—First National Bank in Detroit
	DULUTH—First & American National Bank
	LOS ANGELES—Citizens National Trust & Savings Bank
	MINNEAPOLIS—First National Bank
	NIAGARA FALLS, N.Y.—Power City Trust Co.
	PHILADELPHIA—Philadelphia National Bank
	First National Bank
	PITTSBURGH—Bank of Pittsburgh, N.A.
	PORTLAND—United States National Bank
	SAN FRANCISCO—Wells Fargo Bank & Union Trust Company
	SEATTLE—First Seattle Dexter Horton National Bank
CHINA AND JAPAN.....	Hongkong & Shanghai Banking Corporation
INDIA.....	Lloyds Bank Limited
AUSTRALIA.....	Bank of New South Wales
NEW ZEALAND.....	Union Bank of Australia Limited
SOUTH AFRICA.....	Standard Bank of South Africa Limited
SOUTH AMERICA.....	Bank of London & South America Limited
	Anglo-South American Bank Limited

# Imperial Bank of Canada

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## PROCEEDINGS

OF THE

FIFTY-SIXTH ANNUAL GENERAL MEETING OF THE  
SHAREHOLDERS

*Held at the Banking House of the Institution in Toronto,  
on Wednesday, 26th November, 1930.*

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The Fifty-Sixth Annual General Meeting of the Imperial Bank of Canada was held at the Head Office of the Bank in Toronto, on Wednesday, 26th November, 1930.

Amongst those present were:—W. J. Aitchison (Hamilton), A. P. C. Adamson, G. H. Aikins, K.C. (Winnipeg), H. S. Banfield, J. W. Bain, K.C., G. H. Booth, L. G. Christie, A. R. Capreol, R. S. Clark, A. B. Cayley, J. G. Cornell, W. H. Cawthra, D. S. Cassels, W. C. Crowther, W. M. Douglas, Ven. Archdeacon Doherty (London), Henry W. Evans, A. E. Ferrie, W. J. Fleury (Aurora), J. W. Gillbard, F. H. Gooch, L. A. Hamilton, A. N. Horner, George C. Heintzman, J. W. Hobbs, A. M. M. Kirkpatrick, G. R. F. Kirkpatrick (Edmonton), G. G. LeMesurier, E. B. LeRoy, W. H. Lamont, Charles E. Lee, Walter C. Laidlaw, L. McDonald, Allan McPherson (Orillia), W. B. Maclean, W. A. Medland, G. J. Morrow, M. McLaughlin, Prof. J. C. McLennan, W. G. More, J. F. Michie, John A. Northway, A. L. Ogden, A. E. Phipps, John T. Parker, A. G. Parker, G. A. Peters, H. B. Patton, Rev. T. W. Paterson, A. T. Read (Aldershot), J. G. Ramsey, A. Rankin, Frank A. Rolph,



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## Imperial Bank of Canada

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E. A. Smith, E. M. Saunders, G. P. Shaw, Chas. Swabey, K.C., G. B. Strathy, C. W. Scott, H. E. Sellers (Winnipeg), Sir James Woods, R. S. Waldie, H. W. Wright (Wetaskiwin), Major Robt. Wood (London, Eng.), T. L. Walker, J. Watt, Thos. H. Wood.

The Chair was taken by the President, Mr. Frank A. Rolph. Mr. W. G. More was appointed to act as Secretary of the meeting and Mr. Charles Swabey, K.C., and Mr. A. E. Ferrie were appointed Scrutineers.

The notice calling the meeting was read by the Secretary and the Minutes of the last Annual Meeting were taken as read and were confirmed.

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## Imperial Bank of Canada

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The Directors' Report and Annual Statement were read by the Secretary as follows:

### REPORT

The Directors have pleasure in presenting the Fifty-Sixth Annual Report and Balance Sheet of the affairs of the Bank as on 31st October, 1930, together with Statement of Profit and Loss Account showing the result of the operations for the year.

The balance at credit of Profit and Loss Account brought forward from last year was.. \$ 718,964.00

Profits for the year ended 31st October, 1930, after deducting charges of management, Auditors' fees, and interest due depositors and after making full provision for bad and doubtful debts and for rebate on bills under discount were..... 1,424,081.03

Making a total at credit of Profit and Loss Account of..... \$2,143,045.03

which amount has been appropriated as follows:—

Dividends at the rate of 12% per annum....	\$ 840,000.00
Bonus of 1% for the year.....	70,000.00
Contributions to Officers' and Employees' Pension and Guarantee Funds.....	42,500.00
Written off Bank Premises.....	300,000.00
Dominion Government and other Taxes paid and reserved.....	150,000.00
Balance of Account carried forward .....	740,545.03

\$2,143,045.03

Since the last Annual Meeting Branches of the Bank have been opened at St. Clair Avenue and Runnymede Road, Dundas and Victoria Streets, Church and Carlton Streets, Old Weston Road and Keele Street, all in the City of Toronto; also at Victoria Avenue, Niagara Falls, and at Wyandotte Street and Partington Avenue, Sandwich, in the Province of Ontario; at Point du Bois as a sub office to Winnipeg Branch in the Province of Manitoba; and at Meadow Lake in the Province of Saskatchewan.



The Directors have to record with deep regret the death on 26th June, 1930, of Mr. Peleg Howland, President of the Bank. Mr. Howland was one of the first officers of the Bank and became a Director in 1906. He devoted almost his entire life to its interests and was President from 1914 until the date of his death. The vacancy in the Presidency was filled by the election of Mr. Frank A. Rolph, who has been a Director since 1919.

All the offices of the Bank, including the Head Office, have as usual been carefully inspected during the year and the Auditors appointed by you have also made their examinations as required by the Bank Act. Their report and certificate is attached to the Balance Sheet.

The Directors again desire to express their appreciation of the efficient and zealous manner with which the various officers of the Bank continue to perform their respective duties.

All of which is respectfully submitted.

FRANK A. ROLPH,  
*President.*

Toronto, November 25th, 1930.

## PROFIT AND LOSS ACCOUNT

31st OCTOBER, 1930

Dividends Nos. 158, 159, 160 and 161, at the rate of 12% per annum..... \$840,000	Balance at credit of account Oct. 31st, 1929, brought forward.....\$ 718,964.00
Bonus of 1% pay- able November 1st, 1930..... 70,000 \$910,000.00	Profits for the year ended 31st October, 1930, after deducting charges of man- agement, auditors' fees and interest due deposi- tors, and after making provision for bad and doubtful debts and for rebate on bills under dis- count..... 1,424,081.03
Contribution to Officers' Guarantee Fund..... 2,500.00	
Contribution to Officers' Pen- sion Fund as per By-law No. 33..... 40,000.00	
Written off Bank Premises... 300,000.00	
DOMINION GOVERNMENT AND OTHER TAXES, includ- ing tax paid on Circulation and Reserve for Income Tax..... 150,000.00	
Balance of Account carried forward..... 740,545.03	
<u>\$2,143,045.03</u>	<u>\$2,143,045.03</u>

### RESERVE FUND

Balance at Credit of Account October 31st, 1930.....	<u>\$8,000,000.00</u>
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FRANK A. ROLPH,  
*President*

A. E. PHIPPS,  
*General Manager*

## FIFTY-SIXTH ANNUAL

31st OCTOBER

## LIABILITIES

Notes of the Bank in circulation.....	\$ 8,592,325.00	
Deposits not bearing interest.....	\$20,970,309.71	
Deposits bearing interest, including interest accrued to date of State- ment.....	93,320,934.52	
		114,291,244.23
Balances due to other Banks in Canada	\$ 3,990,196.64	
Due to Banks and Banking Correspon- dents in the United Kingdom.....	160,713.99	
Due to Banks elsewhere than in Canada and the United Kingdom.....	4,242,578.01	
Letters of Credit Outstanding.....	872,487.59	
		9,265,976.23
Total Liabilities to the Public.....	\$132,149,545.46	
Capital Stock paid in.....	\$ 7,000,000.00	
Reserve Fund Account.....	8,000,000.00	
Dividend No. 161 (payable 1st Novem- ber, 1930) for three months at the rate of 12% per annum.....	210,000.00	
Bonus of 1% payable 1st November, 1930.....	70,000.00	
Unclaimed Dividends.....	372.75	
Balance of Profit and Loss Account carried forward.....	740,545.03	
		16,020,917.78

AUDITORS' REPORT TO SHARE-  
HOLDERS

We report to the Shareholders of the Imperial Bank of Canada:—

That we have examined the above Balance Sheet as at October 31st, 1930, 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.

The above Balance Sheet does not include money which has been set aside by the Shareholders from time to time for the purpose of a Pension Fund.

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

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

Toronto, November 19th, 1930.

\$148,170,463.24

## BALANCE SHEET

1930

## ASSETS

Current Coin held by the Bank.....	\$ 1,023,293.30	
Dominion Government Notes.....	10,616,326.00	
United States and other Foreign Currencies.....	125,161.29	
		\$11,764,780.59
Deposit in the Central Gold Reserves.....		1,250,000.00
Deposit with the Minister for the purposes of the Circulation Fund.....		374,490.99
Notes of other Banks.....		507,865.00
Cheques on other Banks.....		8,621,744.74
Balances due by other Banks in Canada.....		616,386.71
Due from Banks and Banking Correspondents in the United Kingdom.....		608,714.41
Due from Banks and Banking Correspondents, else- where than in Canada and the United Kingdom....		2,996,882.32
		\$26,740,864.76
Dominion and Provincial Government Securities not exceeding market value.....	\$15,908,512.36	
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value.....	4,237,124.13	
Railway and other Bonds, Debentures and Stocks, not exceeding market value.....	2,103,616.15	
		22,249,252.64
Loans to Provincial Governments....	\$ 479,165.93	
Loans to Cities, Towns, Municipalities and School Districts.....	6,199,123.24	
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.....	11,851,443.98	
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.....	6,000,000.00	
		24,529,733.15
Other Current Loans and Discounts in Canada (less rebate of interest), after making full provision for all bad and doubtful debts.....		66,846,170.55
Non Current Loans, estimated loss provided for.....		176,343.40
Real Estate other than Bank premises.....		111,548.67
Mortgages on Real Estate sold by the Bank.....		539,174.96
Bank Premises, at not more than cost, less amounts written off.....		5,989,641.19
Liabilities of Customers under Letters of Credit as per contra.....		872,487.59
Other Assets not included in the foregoing.....		115,246.33
		\$148,170,463.24

FRANK A. ROLPH,  
President.

A. E. PHIPPS,  
General Manager.

## THE PRESIDENT'S ADDRESS

Before moving the adoption of the Report, may I refer for a moment to the great loss which the Bank sustained during the year by the death of our late President, Mr. Peleg Howland, on the twenty-sixth of June last. No man ever had the interests of the Bank more at heart than Mr. Peleg Howland. He was a son of Mr. H. S. Howland, who was one of the founders of the Bank and its first President. Mr. Peleg Howland identified himself with the Bank first as a Junior Officer, and in the year 1906 became a Director, and was President from 1914 until the time of his death. He was a kindly gentleman, with high mental attainments and most conscientious in all matters, especially so in those affecting the interests of the Bank. He was of a retiring disposition, but held many positions of trust, and enjoyed the confidence of his fellow-citizens. The Directors of this Bank feel that they have lost a true friend and wise counsellor.

Little did I think when we gathered here a year ago that I would be occupying the chair so ably filled by the late Mr. Howland. I fully appreciate the very high honor which your Directors conferred upon me. The honor is great, but the responsibilities are considerable. I had hoped that my good friend Sir James Woods, your Vice-President, would have accepted the honor, and it is one for which he is peculiarly fitted. All of your Directors hoped that he could see his way clear to accept the honor and assume the responsibility, but Sir James' opinion was that, at his age, he did not think it fair to himself and family, and he also expressed the opinion that it would not be fair to the Bank for him to take on this responsibility. So far as fairness to the Bank was concerned, we disagreed with him, but we all felt that for one who had done so much for the Bank and for Canada that it was not right to press him unduly. He has kindly consented to continue to act as Vice-President of the Bank for a time at least, and for this I am grateful.

As for myself, I am not a banker, but I have met with some measure of success in business, and I can only assure you that I will do my best to merit the continued confidence of the Shareholders and Directors of the Bank, as well as its customers and staff. My own connection with the Bank has

covered my whole business career, always as customer since 1875, and later as Shareholder and Director. I have always taken a very keen interest in the Bank's affairs. The responsibilities which I have assumed in accepting the position of President have been rendered lighter by realizing the calibre and type of Executive which we are so fortunate to have in our Bank; first, the Directors, all of whom are personally known to me and have been for many years; second, and more important, the unbounded confidence which I have in our Director and General Manager, Mr. A. E. Phipps, and also in our Assistant General Manager, Mr. Jaffray; our Superintendent, Mr. More; our Chief Inspector, Mr. Ogden; and the Western Superintendent, Mr. Ritchie.

## BUSINESS GETTING BACK TO NORMAL

The year through which we have just passed has been one of great depression in industrial circles and of great tribulation for those speculating in the stock market. The prosperous years 1925-26-27-28 and the first half of 1929 resulted in many of our people, and also people of the United States, speculating in stocks, most of them on margin, without using sound business judgment. They were speculating on prospects rather than investing in dividend-earning or interest-bearing securities. Your Bank, together with other banks, endeavored to check this tendency to unwise speculation, as the inevitable crash could be seen long before the time it actually occurred. There is a liquidating process now going on, and matters are slowly but surely getting back to a more normal basis. Through the many losses which occurred in the stock market, the purchasing power of our people has declined, especially in the purchasing of luxuries, and with the consequent unemployment the purchasing power of all classes affected has been greatly lessened even for many of the necessities of life.

If you analyze the present situation, you will find that conditions are not really so bad in this respect as they appear at this time following the most prosperous years in our history, 1928 and the first half of 1929. General trade activity is practically on a par with what it was in 1927, but in view of our banner years of 1928 and 1929 we have more or less, lost a proper perspective.

BANK MORE THAN HELD ITS OWN

The year has been a difficult one for banks and business generally, but your Bank has more than held its own in the financial field. I consider we have cause for gratification in maintaining the same percentage of profits on the lesser business done, and this after making ample provision for all contingencies. Since my election to the Presidency of the Bank, I have made a survey of all of the large loans, and I feel quite satisfied that they are good and that ample provision has been made to take care of possible as well as actual losses which have not been in any way excessive this year, notwithstanding the conditions which prevail. I have also looked over the investments of the Bank, and can assure you that they are perfectly sound and their market value at present is above the book value.

GOVERNMENT REVENUE DOWN

The latest available Government Returns show that from April 1st to October 31st the total ordinary revenue for 1929 was somewhat over 287 millions of dollars, and for the same period in 1930—239 million dollars, or a shrinkage for the period of about 48 million dollars. Whereas the total ordinary expenditure for the same period was 199 millions in 1929, as compared with approximately 211 millions for 1930. An increase of about 12 millions. This is just indicative of the general conditions existing throughout the period and reflects general conditions throughout the country at the present time.

In July of this year we had a change in Government, and at the Special Session of Parliament an increase in Customs Tariff was put into effect for the purpose of aiding employment and increasing production in certain Canadian industries.

THE EMPIRE CONFERENCE

Our new Prime Minister, the Right Hon. R. B. Bennett, after putting into effect this legislation, proceeded to the Empire Conference in Great Britain where he frankly expressed his views regarding inter-Empire trade. What ultimate benefit Canada is to derive from this Conference we cannot yet foresee, but irrespective of our political

opinions we must give the Right Hon. Mr. Bennett credit for his courage and energy, and it is sincerely to be hoped that his policies will result in increased agricultural and industrial activity and profit for the benefit of Canada.

We await with much interest the outcome of the policies which the present Government has put into effect. Without regard for our political opinions, let us give it time and opportunity to carry these out.

HEAVY LOSS IN GRAIN VALUES

For all Canada the latest Government Returns show that in the production of grain of all kinds, there has been a substantial increase in volume in 1930 over 1929, but notwithstanding this increase there has been a shrinkage in monetary value of about 70 millions of dollars on present market values. The estimated world requirements in wheat are approximately 500 million bushels less than the present estimated surplus in all countries. No wonder, under these conditions, that the present prices obtainable by the farmer are so low. Another of our great natural products, pulp and paper, is showing unsatisfactory results, the demand being about 5 per cent. (5%) less in 1930 than in 1929, with surplus capacity to requirements and with a very unsatisfactory price situation.

THE MANUFACTURERS' PROBLEMS

Throughout Ontario manufacturers are all finding times difficult, with the demand considerably below productive capacity, and lower prices make business difficult to obtain, even at the lower prices, and profits in many cases are negligible.

In the West, the number of live stock on the farms has been steadily increasing in recent years, but the volume of sales is about the same for the past year as for the year previous, but with lower average prices, with the possible exception of hogs.

The marketing of wheat is a problem which has been giving grave concern to Federal and Provincial Governments, and indeed to wheat-growing countries throughout the entire world. The problem, of course, is primarily one for the

farmer himself to work out, and I have sufficient confidence in the ability of our Western farmer to do so. The farmer has to produce the wheat and he has to sell it, and like all other lines of business he has got to be governed by competitive world prices. Growers and manufacturers of all other commodities have similar problems to meet. Commodity prices are down all along the line, but from all statistics available we have every reasonable hope of seeing a betterment in lower cost of production and increased selling price sooner, perhaps, than we now think possible.

#### WHEAT ADVANCES SECURED

In connection with the marketing of wheat and other products of the farm, the banks have to render a service. They have to advance the money necessary to see that wheat and other products are delivered to their final destination for consumption. In rendering this service, the banks have to take the necessary security to protect the money so advanced. The banks cannot control world market prices. They can, and will, finance this large undertaking when they are given reasonable security, and this security they hold to-day. So that, as Shareholders of the Bank, you need have no anxiety as to the outcome of loans made by your Bank and by other Canadian banks in financing the wheat crop.

As a result of the very low prices obtainable for grain at the present time, the purchasing power of the farmer, especially in the West, is very much curtailed. His power of consumption is just as great, but his purchasing power is greatly diminished. The consequence is the manufactured products which he would like to buy he has to defer buying until his purchasing power improves. With this condition maintaining throughout Canada for the last eighteen months, manufacturing industries of all kinds have had to suffer, but, after all, as statistics show, Canadian trade activity is even now on a par with the year 1927, and in 1927 we thought we were doing remarkably well, so do not let us lose our proper perspective.

#### INDUSTRIAL IMPROVEMENT INDICATED

Our industries arising from our great natural resources, such as Mining, Lumbering, Pulp and Paper, are suffering

from overproduction and a consequent drop in prices, but this is a situation which we have passed through before, and which we are, I am thankful to say, passing out of now. Recent indications show improvement in many lines. We have, in most cases, I think, touched bottom, and while the upgrade in volume and price will probably be slow, it has already started in some commodities, and I feel satisfied will continue.

#### HISTORY REPEATS ITSELF

There is an old saying "History Repeats Itself," and how true it is. A circular issued by one of the New York banking houses came into my possession a short time ago, in which is reprinted an article from Macaulay's Essays, taken from the Edinburgh Review of January, 1830—just 100 years ago. There is such a marked similarity between the conditions existing then and the conditions of to-day, that I am going to quote a few sentences from this article which to me are most interesting.

#### 100 YEARS AGO MACAULAY SAID:

"History is full of the signs of this natural progress of society. We see in almost every part of the annals of mankind how the industry of individuals, struggling up against wars, taxes, famines, conflagrations, mischievous prohibitions and more mischievous prohibitions, creates faster than Governments can squander, and repairs what ever invaders can destroy. We see the capital of nations increasing and all the arts of life approaching nearer and nearer to perfection in spite of the grossest corruption and the wildest profusion on the part of rulers."

#### RESULT OF NAPOLEONIC WARS

"The present moment is one of great distress. But, how small will that distress appear when we think over the history of the last forty years—a war, compared with which, all other wars sink into insignificance; taxation, such as the most heavily taxed people of former times could not have conceived; a debt larger than all the public debts that ever existed in the world added together; the food of the people studiously rendered dear; the currency impudently debased, and improvidently restored. Yet, is the

"country poorer than in 1790? We fully believe that in spite of all the misgovernment of her rulers, she has been almost constantly becoming richer and richer. Now and then there has been a stoppage, now and then a short retrogression; but, as to the general contingency, there can be no doubt. A single break may recede, but the tide is evidently coming in."

"If we were to prophesy that in the year 1930 a population of fifty millions, better fed, clad and lodged than the English of our time, will cover these islands—that machines constructed on principles yet undiscovered will be in every house—that there will be no highways but railroads, no travelling but by steam—that our debt, vast as it seems to us, will appear to our great-grandchildren a trifling encumbrance, which might easily be paid off in a year or two—many people would think us insane. We prophesy nothing; but this we say—if any person had told the Parliament which met in perplexity and terror after the crash of 1720 that in 1830 the wealth of England would surpass all their wildest dreams—that the annual revenue would equal the principal of that debt which they considered an intolerable burden; that men would sail without wind and would be beginning to ride without horses—our ancestors would have given as much credit to the prediction as they gave to Gulliver's travels. Yet, the prediction was then true. To almost all men the state of things in which they have been used to live seems to be the necessary state of things. Hence this, that though in every age everybody knows that up to his own time progressive improvement has been taking place, nobody seems to reckon on any improvement during the next generation. We cannot absolutely prove that those are in error who tell us that society has reached the turning point—that we have seen our best days. But so said all who came before us—with just as much apparent reason."

"Two hundred and forty millions of debt!" cried all the statesmen in 1783 in chorus"—(incidentally I may say here the debt on March 31, 1930, amounted to £7,597,000,000)—"what economy on the part of a Minister can save a country so burdened? We know that if, since 1783, no debt had been incurred, the increased resources of the country would have enabled us to defray that burden, at which Pitt, Fox, Burke stood aghast—to defray it over and

"over again, and with that much lighter taxation than what we have actually borne. On what principle is it, that, if we see nothing but improvement behind us, we are to expect nothing but deterioration before us?"

"It is not by the intermeddling of Mr. Southey's—the omniscient and omnipotent state—but by the prudence and energy of the people, that England has hitherto been carried forward in civilization; and it is to the same prudence and same energy that we now look with comfort and good hope. Our rulers will best promote the improvement of the people by strictly confining conditions to their own legitimate duties—by leaving capital to find its most lucrative course, commodities their fair price, industry and intelligence their natural reward, idleness and folly their natural punishment—by maintaining peace, by defending property, by diminishing the price of law, and by observing strict economy in every department of the State."

"Let the Government do this—the people will assuredly do the rest."

#### MACAULAY UNDERESTIMATED PROGRESS

How true the forecast in the article above quoted, but underestimated the progress we would make in 100 years! How trivial the debts of Great Britain in those days compared to ours in this year 1930! What advances have been made throughout the world beyond the possible dreams of the man who wrote the article in January, 1830. Surely we have reason to cheer up and take courage. Canada is still in its infancy. Canada has her best years before her. How I envy the young man of to-day with the prospect he has ahead of him. We must be industrious and thrifty. We must go forward with courage and confidence. We should maintain our present standard of living, which is something that we in Canada should be proud of.

In any economic programme which present conditions may make it necessary for us to take into consideration, the last item for us to consider is a reduction in the pay of the wage-earner. The time may come when it will be necessary to do this, but until it is absolutely essential I think we should encourage our wage-earners to increase their individual output in order to make possible the making of profits with

the lower prices now maintaining in all commodities. If we put it fairly and squarely up to the wage-earners of this country, they will, I am sure, do their part, and not until it becomes impossible for us to stay in business without reducing wages should we take any step toward doing so, but when the time does come—and it may have come with some industries now—I believe that the wage-earner will cheerfully do his part to meet the conditions which prevail throughout Canada.

#### TRIBUTE TO THE STAFF

Coming back to our own immediate Bank affairs, I would like to pay my personal tribute to the Staff. I have already referred to the great satisfaction it gives me to be working in conjunction with Mr. Phipps and his Chief Assistants. I have met many of the staff since taking office, and I hope to meet still more. Their loyalty and service to the Bank is very highly appreciated.

In conclusion I would like to say that I am an optimist and in a country like this we should all be optimists. Canada is on the threshold of much bigger and better things. She cannot help but go forward if her people are industrious and move forward with courage and confidence in order that they may participate in the good times which are before us. (Applause.)

#### THE VICE-PRESIDENT'S ADDRESS

I concur in all that Mr. Rolph has said about Mr. Howland. In his passing away, every member of our Board lost a close, personal friend, one for whom we had a genuine affection. We have the satisfaction of knowing that death took Mr. Howland at the summit of his career and when the Bank, to which he was so devoted, was outstandingly strong and successful.

It was gratifying to me to find my fellow-Directors willing to have me succeed Mr. Howland in the Presidency of the Bank, but, at my age, I should be shedding responsibilities, not assuming new ones, and I know our Shareholders will enthusiastically and unanimously endorse the appointment of Mr. Rolph. No better choice could have been made.

Since our last Annual Meeting a marked change has come over world affairs. While some of the causes of to-day's industrial depression are complex and difficult to diagnose, there are factors, world-wide in their scope, which are plainly contributory. During the war, the dislocation of established trade channels led to the organizing of new industries in practically all countries. When war ended, there was a natural desire to safeguard such industries, and since 1918 tariff protection has been the prescription for economic maladies in all countries but Great Britain, and it may be well to consider to what extent these new and higher barriers are responsible for the collapse of international trade, particularly Britain's world trade. Inter-Empire trade as "one way out" has much to commend it, but trade implies both buying and selling, and only in a minor degree can it be founded on kinship or friendship.

#### CANADA HAS MANY BRIGHT SPOTS.

This is demonstrated time and again. The Empire Purchasing Board, established in Great Britain a year or more ago, spent large sums advertising Empire products, but on the British market Canadian wheat is pushed aside by wheat from Russia and Argentina, and Canadian canned salmon is ousted by the products of Russia and Japan; but Canada has so many bright spots and so much to be thankful for that our President's optimism is more than justified.



## MINE PRODUCTS WORTH \$307,000,000

In 1929 the mineral production of our country reached a total value of more than \$307,000,000, an increase of 11.69 per cent. over that of 1928. This increase is greatest in the case of metallic products, although substantial advances were made in all other classes—fuels, non-metallics and structural materials. While every Province shows an increase in value of mineral output, the advance is greatest in Ontario, followed by British Columbia and Quebec. The past year shows evidence of the great mineral resources of Canada, the readiness of financiers to assist in mineral development, and especially of the ability of our engineers and technical men, mostly trained in Canada, to solve the local problems which must be dealt with if we are to produce and sell in competition with operators in other parts of the world.

The falling-off in the tonnage of coal raised in British Columbia and Alberta during the past year was not balanced by the increases in the other Provinces. The failure of the coal industry to advance, even in times of great prosperity, is due, in part, to the necessarily high cost of transportation to distant parts of Canada, in part to the development of hydro-electric power, and in a large measure to the more general use of fuel oils for marine engines and for domestic heating. This matter is, at present, receiving the serious consideration of those interested in the expansion of coal mining in Western Canada.

A considerable number of mining properties of proved value were, at the beginning of the present year, undergoing development with a view to beginning or increasing production in 1930. In some instances, these expectations have not been realized, owing to the fall in market values, particularly of copper, lead, zinc and silver. In most cases, development of mines and plants has been continued, so that production may respond readily to improved market conditions. The great advance made in recent years in the separation of ores has given value to certain constituents which were formerly not saved. In the application of these processes to ores where zinc is found along with copper or lead, so much zinc may be saved as to make this metal almost a by-product, causing a permanent fall in zinc prices.

The value of the output of metallic mineral products for Canada, during the first six months of 1930, is almost equal to that for the corresponding period of 1929, though fuel products indicate a decline of thirteen per cent., and other non-metallics have fallen off about twenty per cent. The production of Ontario, for the same period, shows an increase in both metallics and non-metallics of about five per cent. The ability of the community dependent on the mines, as in Ontario, to purchase, as usual, the products of other industries is of very great assistance at the present time.

The occurrence of lignite, or brown coal, in the basin of Moose River, was known to the officers of the Hudson's Bay Company for many years before its presence was first noted in the reports of the Geological Survey of Canada over fifty years ago. During the last few years, the Department of Mines of the Province of Ontario has conducted explorations in this region, resulting in the location of deposits of large extent. The quality of the lignite, the method and cost of mining, the preparation of the product for the market, and the adaptation to the needs of the local market have all to be determined. The Provincial Government is to be commended for the energy displayed in this attempt to make a contribution toward the solution of the fuel problem of Central Canada.

The gradual development of smelting and refining plants for the treatment of Canadian ores is worthy of favorable comment. In the early stages of mining in this country, most of the ores were sent abroad for treatment. The Consolidated Mining and Smelting Company led the way in the production of refined lead and silver, and later became large manufacturers of pure zinc and cadmium. The International Nickel Company added nickel to the list, while the refiners of the ores from Cobalt supply metallic bismuth and refined products of arsenic and cobalt. During the present year, the operators of the new refinery near Sudbury have begun the shipment of pure electrolytic copper. We are rapidly nearing the time when Canada will be able to refine at a profit most of her mineral products, and thus provide employment for ever increasing numbers of workers.

## MARITIMES PROSPEROUS

As judged by the economic position in other Canadian Provinces, the situation in the Maritimes can probably be best described by the phrase "definite and fairly general improvement."

The exodus of population from the Maritimes has been materially checked with the revival of prosperity and it is the unanimous opinion of all firms doing any considerable volume of business in the Maritimes that they are relatively the most prosperous sections of Canada. The aggressive attitude toward the solution of industrial problems, the encouragement of tourist traffic, the marked increase in the building programmes in the cities and towns and the re-establishment of manufacturing industries for the treatment of natural products are now general enough to be described as a definite and healthful trend.

The situation in Nova Scotia is particularly encouraging. The apple crop in 1930 is much in excess of that of 1929, and the policy of more careful grading, now being instituted, will doubtless affect the prices to be derived for this commodity. The experiment in the shipment of Nova Scotia coal to Central Canada is not, to date, very successful. The marketing of frozen Atlantic fish in Central Canada has not yet become an established business, and must await further experimentation in the marine laboratories.

In New Brunswick, the lumber industry is practically at a standstill in the northern half of the Province. Wholesale and retail trade have been fairly vigorous and collections have been good in the agricultural and industrial areas to the south.

In Prince Edward Island, crops have been bountiful, but, in common with other commodities, the staple crop, potatoes, is bringing a low price. There is practically no unemployment on the Island.

It is greatly to the advantage of Canada, in a time of depression, to have a varied industrial life. A generation ago, when we were largely an agricultural people, such difficulty, as is now experienced in marketing farm products, would have been far more embarrassing than is the case

to-day. The pulp and paper industry, largely a development of the present century, in 1929 had become the largest manufacturing industry in Canada, with a product valued at 129 million dollars, after deducting the value of the raw materials used. This increased value, due to processing in the country, must lend great support to all other branches of industry.

## TURN FOR THE BETTER NOT FAR OFF

Conditions are not so bad as some think. There is a tendency to talk and think in terms of depression and unemployment. The psychological effect of this over-emphasis is depressing. While nobody can foretell the duration of the present conditions, adjustments have been made by every Canadian industry, so that manufacturers are alert and ready to take prompt advantage of opportunities as they arise.

The trade records for 1930 compare favorably with those for 1925 and with other years which were regarded as fairly satisfactory. The present depression seems more serious because we naturally compare 1930 with 1928 and the early part of 1929, which were times of unusual prosperity. It is the common opinion, and one with which I am in agreement, that the bottom has been reached and a turn for the better should not be far off, though improvement is sure to be gradual. With wonderful material resources and a varied industrial life, the future of our country is assured. (Applause.)

CHAIRMAN: I am very grateful to you, Sir James, for the very kindly reference you made to me.

Before going on I am going to ask our very capable General Manager to address the meeting.

## THE GENERAL MANAGER'S ADDRESS

I wish, in the first instance, to associate myself, on my own behalf as well as on behalf of my colleagues on the Executive, in all that has been said with reference to the passing of our late beloved President. When we met here a year ago I am sure that none of us even thought of the imminence of a change in the Presidency of the Bank. We had all come to regard Mr. Howland as being the personification of the Bank, the foundations of which were laid by his father and the superstructure of which he built so securely and so well. Like his father before him, he was an integral part of the Bank. He loved it and he lived for it, and those of us who were most closely associated with him know how invaluable were his judgment, experience and capacity for many years. Never has a bank been served more loyally than this Bank was by Mr. Howland, and never have I had a better and truer friend.

The choice of a successor fell upon Mr. Rolph, who has just spoken to you. We all would have been delighted had Sir James Woods decided to move up to the Presidency, which, Mr. Rolph has told you, was the unanimous wish of the Board. He has also told you Sir James' very compelling reasons for his decision. Mr. Rolph was unanimously elected. The Bank was fortunate at the time, in as much as every member of the old Board had by experience and close application to the Bank's business so qualified himself. Accordingly there was no lack of material—the only difficulty was one of choice. I would like to take this opportunity of congratulating the shareholders on their new President, and assuring Mr. Rolph of my loyalty and of the satisfaction I have in serving under such a capable leader.

## PROFIT AND LOSS HIGHLY SATISFACTORY

I will now proceed to what is my principal duty to-day, and that is to comment on the Profit and Loss Statement and the Balance Sheet which is in your hands. Last year I pointed out that the statements reflected the growth of the Bank under prosperous conditions. The statements before you to-day reflect the position after a year of depression and anxiety, and I am happy to say that, in my opinion, the figures which have been submitted to you constitute a better,

if not bigger, position than last year. The profits, which are shown at \$1,424,081.03, are approximately \$140,000 less, but are relatively very little less than that year which reported the largest profits for any year in the history of the Bank. The percentage of profits to total assets is, roughly, 1 per cent., the same percentage as last year. We have been able to take care of our bad and doubtful debts, which fortunately were not very large; to write \$300,000 off Bank Premises Account, provide for the usual dividend, bonus and other charges, and carry forward some \$22,000 more, bringing the balance at credit of Profit and Loss Account up to the substantial sum of \$740,545.03. It is only fair to say that the profits during the earlier months of the year were larger than during the months which have just closed, and unless conditions change we may expect a somewhat smaller return next year. The management considers this year's results highly satisfactory, and I hope that you will agree with the management in this respect.

## THE BALANCE SHEET

Proceeding to the Balance Sheet. The total assets are \$148,170,463, and in round figures are six and a half million dollars less than they were at 31st October, 1929. We have not figures of all the chartered banks as of October 31st but the statement of September 30, 1930, showed that the total assets of all the chartered banks in Canada had decreased during the year ended September 30, 1930, approximately 10 per cent. The shrinkage in the assets of the Imperial Bank of Canada, as given above, works out at about 4 per cent., which, I think, we may accept as an indication that your Bank has held its own in volume of business transacted throughout the year.

## COMPARISON OF LIABILITIES

Notes in circulation, \$8,592,325, compare with \$10,117,078 on 31st October, 1929, a falling off of 15 per cent. On 30th September, according to the Government Return, the circulation of all the banks showed a shrinkage of 16.83 per cent. This falling off is, of course, the reflection of less active business and the much lower prices received for commodities, particularly for grain.

In the case of deposits, the comparison is more difficult, as the monthly returns compare deposits payable on demand

and deposits after notice, whereas the annual statement divides these items as deposits not bearing interest and deposits bearing interest. On 30th September the total deposits in Canada of all banks showed a falling off from September 30th, 1929, to September 30th, 1930, of 6.5 per cent. Our own deposits show a falling off from 31st October, 1929, to 31st October, 1930, equal to 6.6 per cent. Our deposits not bearing interest have fallen from \$26,578,000 to \$20,970,000, or approximately six million dollars. On October 31st, 1929, although the first market crash had taken place, the business of the stock markets was booming, and we had on deposit large sums (almost sufficient to account for the decrease referred to) by brokers and those connected with stock exchange business which, as might be expected, have since been dissipated. Our deposits bearing interest show a decrease of \$2,700,000 which, considering the condition through which we are now passing, may be considered a very satisfactory state of affairs. The total deposits this year, 1930, are \$114,300,000, compared with \$122,900,000 last year, and with \$118,000,000 two years ago.

#### FOREIGN DEPOSITS INCREASE

The only other change of importance in the liabilities is the increase in the amount due to Banks elsewhere than in Canada and the United Kingdom, which has increased from \$1,213,000 to \$4,242,000. This is largely due to our successful efforts to add to the number of our American bank depositors, who have increased considerably in numbers, and to the fact that our older foreign correspondents are keeping larger balances with us, due no doubt to the fact that interest rates in Canada are at present ruling higher than they are in the United States. Letters of Credit have fallen from \$1,761,000 to \$872,000, an indication of slowing up in the import business of the country.

#### ASSETS SHOW GREAT LIQUIDITY AND STRENGTH

When we turn to the assets some remarkable changes are to be noticed, the position showing greater liquidity and strength. Even if the earning power indicated has been somewhat lessened we have no apologies, as we believe under present-day conditions security is more to be sought than large profits.

#### CASH HOLDINGS UP

Our Cash holdings amount to \$11,604,000, compared with \$9,456,000 a year ago, and our total first-line assets which include our cash, the Deposit in Central Gold Reserves, Notes and Cheques on other Banks, Balances due by other Banks in Canada and Abroad, make the total immediately available money \$26,740,000, or in excess of 20.37% of our liabilities to the public (excluding Letters of Credit outstanding covered by contra), compared with 19% last year. When we add our other readily realizable liquid assets, such as Government securities, Municipal securities, other bonds and stocks, loans to cities and municipalities, Call Loans in Canada and the United States, we get the total of \$73,519,850.55, compared with \$65,916,721.17 a year ago, equalling 56% of our liabilities to the public, compared with 48.17% last year.

#### LOANS AND DISCOUNTS REDUCED

The current loans and discounts of the Bank show a marked falling off from \$80,034,000 to \$66,846,000, or over 13 million dollars. More than half of this amount is due to the liquidation of grain loans, which last year, you will remember I told you, were abnormally high owing to unusual loans against unexported high-priced wheat, and the remainder can be largely attributed to the decrease in loans to investors and, if I may use the word, speculators, in the stock market. We have not lost commercial business, but our current loans have returned to normal; for instance, on 31st October, 1928, they amounted to \$67,356,000, or practically the same figure at which they stand to-day.

#### BANK PREMISES

The only other account in connection with which comment is necessary is Bank Premises account, which stands at \$5,989,000, compared with \$5,937,000 last year, which means briefly that the extensions to our premises during the year which have been referred to, and which I shall refer to again, have all been taken care of out of the amounts written off. We have a substantial potential reserve in our Bank Premises.

The slow assets of the Bank, such as Real Estate, Mortgages and Other Assets, all show a moderate reduction during the year and stand at what we consider extremely low figures, amply covered by the value of the assets represented.

#### THE STAFF

I would like to testify to the loyalty and devotion and hard work of the staff, which have rendered such satisfactory profits and balance sheet possible. In spite of an increase in Branches there is actually one less member on the staff, the number being 1,493, a clear indication that everybody is pulling his or her share of the load.

#### SHAREHOLDERS NUMBER 2,520

The total number of shareholders shows a slight decrease. In 1929 the shareholders numbered 2,558; in 1930, 2,520, a decrease of 38 for the year. It is noteworthy that during the year the number of shareholders resident in the United States of America decreased from 433 to 375, that is, 58 shareholders. The number of shares held in the Republic decreased from 10,739 to 9,426, so that we have more Canadian shareholders and more of our shares held in Canada to-day than we had a year ago.

#### NEW BRANCHES

In all eight Branches were established during the year in places where we expect that satisfactory business can be obtained, and all of them are so far coming up to our expectations. Four of the new Branches are located in Toronto. No Branches were closed during the year, and the total in operation is now 210.

#### BANK PREMISES

During the year we have completed a new and handsome building at University Avenue and Dundas Street, in the City of Toronto, and we have completed or placed under construction new offices at Victoria Avenue, Niagara Falls, and at Caledonia, Ontario; at Field and Invermore, in British Columbia, and at Sylvan Lake, in Alberta, and several smaller offices in the City and suburbs of Toronto. The

premises at all points are being kept in a high state of appearance and efficiency.

#### DEPRESSION AT BOTTOM

The President and Vice-President have spoken at some length on present day conditions. I agree with and concur in everything they have said and will not detain you with summaries and forecasts which, after all, are not likely to be any more accurate than the views of other people, but I would like to point out that after 39 years in the Bank experience has taught me periods of depression have invariably been followed by accelerated business just when we begin to think improvement is never coming, and it seems to me from conclusions based on this experience that the present depression in Canada has pretty well reached the bottom. The speculative position of the country has been, if not entirely, at least to a very great extent, liquidated; the public appetite for speculation, if not satiated, has been dulled.

#### DEMAND FOR GOODS IMPROVED

Manufacturers and distributors of goods report some improvement during the last month or two, and while unemployment is still a problem earnest efforts are being made to solve it with encouraging results. I look forward confidently to an improvement in a number of lines of business in the not distant future, I hope by next spring. We are still faced with the unfortunate condition of the grain market and of some of the farmers and business men in Western or Central Western Canada.

#### WHEAT SITUATION

The crop harvested was somewhat greater in quantity and much better in quality than the crop of 1929, but unsatisfactory price and marketing conditions have arisen to bedevil the situation. I do not believe that the policy of orderly marketing should be regarded as a failure, but certainly the holding of wheat off the market, coupled with an abnormal burst of speculation by grain operators last year, has brought about a situation which nobody ever contemplated, and there is no doubt that the dumping of wheat and other produce by Russia has had an additional adverse

effect on the market for Canadian grain and other products in the United Kingdom. The distinctly hopeful features I see in this situation are as follows: Last year the dealers and elevator companies, almost to a unit, not only held their purchases of farmers' grain off the market, but went into the exchanges and bought for future delivery millions of bushels. Speculators, including farmers themselves, did likewise, believing higher prices certain to be available later on. This added to the unliquidated 1929 crop substantial quantities of futures, all of which it was hoped would be disposed of before the 1930 crop came to market, but owing to the world's supply being under-estimated and the world's requirements being over-estimated it was found impossible to liquidate this huge volume of grain and futures at anything like the prices hoped for. This year we have an entirely different picture. The stocks on hand are little, if any, larger than they were a year ago. The independent dealers and elevator companies have reversed their policies and have hedged, i.e., sold for future delivery every bushel of this year's crop purchased from the farmers, and the speculative purchase of long options or futures by the ordinary speculator or farmer is curtailed, so as to be no longer an important feature in the situation. It follows that this year there is not anything like the quantities of actual grain and future contracts to be absorbed before the next harvest, and I think that when this comes to be realized abroad it cannot but have a stimulating effect on our export sales, which even as I speak are showing some improvement.

#### WESTERN CANADA CONDITIONS

Naturally, collections in Western Canada are poorer than they have been for years, and the purchasing power of that section of Canada has been greatly diminished. I, however, share with Mr. Rolph the opinion that our Western farmer is a hardy and resourceful man, and, given time and reasonable help, will satisfactorily solve his numerous problems. The position of our Western farmers who engaged in mixed farming, which first of all brings their living from the farm in the form of dairying, poultry, raising of hogs and vegetables and what not, and who look to their grain growing as more or less of a cash crop to provide for their other necessities, is generally satisfactory. The present unsatisfactory prices and difficult marketing of grain are certain to induce

our farming population to engage more and more in diversified farming, and in that direction lies the hope of the Western farmer to a very great extent.

You will gather from the above that I am not pessimistic about the present situation, difficult as it appears at the moment, but I firmly believe if I meet you again at this time next year that when I do there will be much better conditions in evidence and the outlook for the then future will be very much brighter. (Applause.)

CHAIRMAN: I now beg to move, seconded by the Vice-President, that the Report which has just been read be adopted, printed and circulated among the shareholders. Is that your pleasure? (Carried.)

I believe Mr. Lamont has a motion to make.

MR. W. H. LAMONT: May I take up a moment and congratulate the Board and the Manager and staff on the wonderful statement which they have produced in spite of the abnormal conditions? It is really most encouraging, I am sure, to all shareholders to see the liquid position you are in and the profits that have been made in the unfortunate year we have had.

May I also testify, sir, to the co-operation of your branch managers. In the position I occupy I use them frequently in obtaining credit information and for collections, and the co-operative spirit that they show is very encouraging to poor credit managers such as I am.

Now, Mr. President, I want to say a few words further. I want to thank you gentlemen for the pleasing, sympathetic words with reference to my beloved chief. (Applause.)

I beg to move, seconded by Mr. James W. Bain, K.C., that A. B. Shepherd, C.A., of Peat, Marwick, Mitchell & Company, and D. McK. McClelland, F.C.A., of Price, Waterhouse & Company, be appointed Auditors of the Bank for the ensuing year at a remuneration not to exceed \$10,000.

MR. JAMES W. BAIN, K.C.: I have pleasure in seconding the motion.

CHAIRMAN: I am sure Mr. Lamont's remarks are very appropriate, and I thank you for your very kindly references.

You heard the motion, gentlemen, by Mr. Lamont, and seconded by Mr. James W. Bain, K.C.:

"That A. B. Shepherd, C.A., of Peat, Marwick, Mitchell & Company, and D. McK. McClelland, F.C.A., of Price, Waterhouse & Company, be appointed Auditors of the Bank for the ensuing year at a remuneration not to exceed \$10,000."

Is that your pleasure, gentlemen?

I declare the motion carried.

I believe Professor J. C. McLennan has a motion to make.

PROFESSOR J. C. McLENNAN: Mr. President, Sir James, and Gentlemen, I have been asked to move and I do so with great pleasure, that the thanks of the shareholders are due and are hereby tendered to the President, Vice-President, and Directors of the Bank for their services during the past year. This will be seconded by Mr. E. M. Saunders.

I, as you all do, miss our old friend, Mr. Howland. He was a kindly-mannered gentleman, patient, courteous, and wise. He is gone and we miss him very much at this meeting. We wish Mr. Rolph, our new President, success in the work of the high office to which he has been called, and we congratulate him and his co-Directors on the very satisfactory report they have been able to make in spite of the trade depression of the period we are passing through.

I listened with great pleasure to Sir James Woods' statement. We all appreciate what he has done for the Bank in the past. We appreciate, too, the point of view that has led him to decline the responsibility that the Directors were anxious he should assume, but while he has not accepted it, we hope that he will long continue to present to this Bank and to the people of this country those admirable reviews of the economic situation in Canada that he gives us annually. (Applause.) I read them carefully every year, and having heard them delivered as well for several years, I have no hesitation in stating that they are among the most instructive and constructive reviews of the economic situation in Canada that are put forward.

The Chairman and President has said that he is an optimist. Well so am I. Perhaps for a different reason. It takes a great deal of optimism to stick to a problem amid depressing circumstances, and to carry on when the gleam of hope that allures us is dim, flickering, and at times obscured.

I was peculiarly favored a week ago by the kindness of the Ontario Government in being permitted to pay a visit near James Bay. The reference made by our Vice-President to the lignite fields lying in the valley of the Moose River was in my judgment a very wise one and a very happy reference to make at this time. We have coal-like lignite up there now (I saw a good deal of it) in sight showing upwards of one hundred million tons already.

Two years ago I visited the brown coal fields of Germany on the basis of which Germany has erected and built a vast synthetic plant at Merseberg for producing vast quantities of artificial fertiliser and explosives, and I can assure you that the lignite we have in sight up near Moose River is infinitely better than the brown coal on which the industries of Germany are being built up to-day. It is true it is not as good as Pennsylvania anthracite or as Welsh anthracite, but it was a surprise to me to find what a fine grade of lignite it was. I can see no serious difficulty in transporting it some considerable distance. It was a great pleasure to me, too, to find that while the practical men were putting down drill holes by the hundreds over vast areas of the country and in order to locate the exact limits of this bed of coal, the Government had very wisely introduced modern geophysical methods as well for the exploration of the deposits. These methods are similar to those used in the war in locating submarines and are full of promise.

It may interest you to know too that just alongside this coal field there is an extensive deposit of gypsum, the whole being within forty-three miles of Moose Factory. We have then the raw materials near at hand and close to tide water as well for the production of artificial fertilisers of the ammonium sulphate type and of explosives such as are used so extensively in the mining industry of Northern Ontario. There are also enormous power plants being installed on the Abitibi River for the generation of electricity. One



can not visit our North Country and see the resources that are available without being an optimist.

I was glad, too, to see that the Imperial Bank is well to the fore with its branches in the North Country.

I have therefore very great pleasure in making the motion I have just read. (Applause.)

MR. E. M. SAUNDERS: Mr. Rolph, Sir James Woods and the Directors of the Imperial Bank, I esteem it a great privilege to have the opportunity of seconding this vote of thanks, and I take the liberty on account of the unusual conditions obtaining this last year to make just one or two brief remarks in connection with this excellent statement which the officers of your Bank and the Directors have presented here.

Mr. Phipps has referred most fittingly to one of the outstanding features of the statement, namely, the profits, which compared to a record year (last year was a record year), are just a nominal sum below that figure. The large amount carried forward into profit and loss is almost sufficient to take care of the dividends for the coming year 1931. The quick assets of the Bank which Mr. Phipps has also referred to, \$73,500,000, are just fifty per cent. of the total liabilities of the Bank.

The remark of Mr. Phipps too is true, that the statements of the Chartered Banks showed that there was a decrease of about ten per cent. in their assets but this Bank has shown only a decrease of four per cent.

All these things, gentlemen, go to show that the three chief officers, the Staff and Directors of this Bank have rendered you wonderful service.

Before sitting down I would like to add a tribute to Mr. Howland, who was a personal friend of mine, and endorse all the kindly things that have been said of him by the previous speakers. (Applause.)

CHAIRMAN: You have heard the motion made by Professor J. C. McLennan, seconded by Mr. E. M. Saunders:

"That the thanks of the Shareholders are due and are hereby tendered to the President, Vice-President and Directors of the Bank for their services during the past year."

Is that your pleasure, gentlemen? (Carried.)

I am going to ask Mr. H. E. Sellers, of Winnipeg, one of our junior Directors and one who takes great interest in the affairs of the Bank, to address us and reply.

MR. H. E. SELLERS: Mr. Rolph, Sir James, and Gentlemen, it is an honor to me being asked to reply to the kindly expressions of approval in the resolution. The results of the year under review have been more than satisfactory and I wish to take this opportunity of giving credit where credit is due, namely, to our able Executives and the Toronto Directors. Living in Winnipeg, I have not had the opportunity of attending many meetings, but I was always very much impressed by the efficient manner in which the business of the Bank is transacted. It is a great honor to be associated as a Director of this fine old institution, and I assume the responsibility cheerfully.

CHAIRMAN: Then we have a motion by Mr. F. H. Gooch, one of the old friends of the Bank.

MR. F. H. GOOCH: Mr. Chairman and Gentlemen, I have much pleasure in moving this vote of thanks, but before that I want to mention when your late President, Mr. Howland, was a young man I was a young man too, and when I took my first position in Rice Lewis we were both in the hardware business. After that when I left the hardware business and joined my father's business on Wellington Street, Mr. Rolph was with his father in the building next door to the Imperial Bank here.

I have had very much pleasure in making the acquaintance of many of the gentlemen connected with the Imperial Bank and it is a pleasure to move that the thanks of the shareholders be given to the General Manager, the Assistant General Manager and other officers of the Bank for their attention to the interests of the Bank and for the efficient performance of their respective duties. (Applause.)

MR. W. M. DOUGLAS: Mr. President and Gentlemen, in seconding this motion I have particular pleasure in doing so as at one time a brother of mine was one of the members of the staff and an unfortunate accident removed him, but I have always had a deep affection for the Imperial Bank. That occurred some thirty years ago and there are only a few, I suppose, of the old members would remember him. But I would just like to say further that few realize the arduous duties of the members of the staff, and the meticulous care required to avoid mistakes, and the report which was just read and which we have in our hands tells a tale of duty well done, and my wish is that every member of the staff from the main office to our far-flung branches shall achieve his ambition and receive the reward of his industry and ability. I have much pleasure in seconding the resolution. (Applause.)

CHAIRMAN: You have heard the motion, gentlemen, which I put before you with a great deal of pleasure because I can fully endorse all of the statements in regard to the efficiency, courtesy and the industry characterizing all of our staff. It is moved by Mr. F. H. Gooch, seconded by Mr. W. M. Douglas:

"That the thanks of the Shareholders be given to the General Manager, the Assistant General Manager and other officers of the Bank for their attention to the interests of the Bank, and for the efficient performance of their respective duties."

Is it your pleasure, gentlemen, that this be carried? (Carried.)

I will call upon our Montreal Manager, Mr. A. R. B. Hearn, who has a very responsible position and who is an old friend of mine.

MR. A. R. B. HEARN: Mr. Chairman and Gentlemen, I have to thank the mover and seconder for their very kind words with regard to the devotion of the staff to the Bank. These words of thanks are much appreciated by the staff, particularly as the past year has been a very difficult one, and I can assure you the staff are much gratified by these allusions.

Before sitting down, as Mr. Rolph said, being one of the old members of the staff, I would just like to say how thoroughly I subscribe to what has been said regarding the late President, Mr. Howland. I assure you there is hardly a member of the staff who knew Mr. Howland but would be benefited by the influence of his high principles. I should also like to express my best wishes to Mr. Rolph and that he may for very many years occupy his position as President of the Bank. (Applause.)

CHAIRMAN: Thank you, gentlemen.

Then Mr. Duncan, Manager in Winnipeg, one of the "live wires" of the institution, will have a few words to say.

MR. DUNCAN: Mr. President and Gentlemen, I take the greatest of pleasure in acknowledging on behalf of the staff the resolution of thanks.

You have got a good staff in the Imperial Bank of Canada and you are going to have a good staff just as long as you have the present Executive to guide them, and I take this opportunity of expressing on behalf of the staff our very sincere appreciation of the care and the direction that has been given by your Executive. May I also thank the shareholders for this resolution, which we feel has been made in all sincerity. (Applause.)

CHAIRMAN: There is just one more motion, gentlemen, and in case some of you are going to leave, don't forget that luncheon is being served at the King Edward Hotel, where you will all be made very welcome. I hope you are all successful in getting sufficient to eat, which you will be if you are energetic.

MR. G. B. WOODS: Mr. Chairman and Gentlemen, I beg to move:

"That the Ballot Box be now opened and remain open until 2 o'clock this day for the receipt of Ballot papers for the election of all Directors, the poll to close as soon as five minutes shall have elapsed without a vote being tendered."

MR. H. S. BANFIELD: I have pleasure in seconding the motion.

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## Imperial Bank of Canada

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CHAIRMAN: You have heard the motion by Mr. G. B. Woods:

"That the Ballot Box be now opened and remain open until 2 o'clock this day for the receipt of Ballot papers for the election of all Directors, the poll to close as soon as five minutes shall have elapsed without a vote being tendered."

What is your pleasure? (Carried.)

The Ballot having been taken, the Scrutineers reported the following Shareholders duly elected as Directors:

Messrs. Frank A. Rolph, Sir James Woods, J. F. Michie, R. S. Waldie, G. C. Heintzman, J. W. Hobbs, Walter C. Laidlaw, John A. Northway, A. E. Phipps, G. H. Aikins, H. E. Sellers.

The meeting then adjourned.

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