



IMPERIAL BANK OF CANADA

SIXTIETH
ANNUAL REPORT
PRESENTED TO THE
SHAREHOLDERS
NOVEMBER 28th
1934

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McGILL UNIVERSITY

Imperial Bank of Canada

Head Office: Toronto

Established 1875

CAPITAL AUTHORIZED . \$10,000,000.00

CAPITAL PAID UP . . . 7,000,000.00

RESERVE FUND . . . 8,000,000.00

Sixtieth Annual Report
1934

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

COL. J. F. MICHIE, VICE-PRESIDENT		R. S. WALDIE, VICE-PRESIDENT	
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)	
R. O. McCULLOCH (Galt)		W. B. WOODS	

HEAD OFFICE, TORONTO

A. E. PHIPPS, GENERAL MANAGER

H. T. JAFFRAY, ASSISTANT GENERAL MANAGER

W. G. MORE, SECRETARY AND SUPERINTENDENT OF BRANCHES

G. D. RITCHIE, WESTERN SUPERINTENDENT (Winnipeg)

W. L. GILLILAND, ASSISTANT WESTERN SUPERINTENDENT (Winnipeg)

SUPERVISORS' DEPARTMENT

E. K. BOULTBEE, - - GENERAL SUPERVISOR

Supervisors

H. C. HOUSTON	B. E. HOWARD
I. K. JOHNSTON	P. H. JONES
A. YOUNG	R. M. VIRTUE (Winnipeg)

INSPECTORS' DEPARTMENT

A. L. OGDEN, CHIEF INSPECTOR

W. BOURKE, ASSISTANT CHIEF INSPECTOR

Inspectors

A. C. ROME	P. W. PAIN	H. RILEY
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BRANCHES

PROVINCE OF ONTARIO

TORONTO—

WELLINGTON & LEADER LANE
(HEAD OFFICE)

ADELAIDE & VICTORIA STS.	A. R. MARTIN	Manager
BATHURST & DUPONT STS.	E. N. BATE	Assistant
BAY & TEMPERANCE STS.	R. G. WILKINSON	"
BLOOR & BATHURST STS.	A. W. BARLOW	"
BLOOR & DURIE STS.	E. J. CASE	"
BLOOR ST. & LANSDOWNE AVE.	K. G. MIGHT	"
No. 78 CHURCH ST.	J. S. CARTER	"
CHURCH & CARLTON STS.	R. R. BROWN	"
DANFORTH & CARLAW AVES.	W. H. GREEN	"
DUNDAS & BLOOR STS.	F. TURNER	"
DUNDAS & JARVIS STS.	D. N. WRIGHT	"
DUNDAS ST. & UNIVERSITY AVE.	S. S. JONES	"
DUNDAS & VICTORIA STS.	A. T. SMITH	"
EGGLINTON AVE. & MOUNT PLEASANT ROAD	D. G. P. FORBES	"
KING & BAY STS.	A. H. WEAVER	"
KING & MARKET STS.	H. G. WATERS	"
KING & SHERBOURNE STS.	A. H. SEGUIN	"
KING ST. & SPADINA AVE.	J. S. PROCTOR	Assistant
KING & YORK STS.	H. A. INGLIS	"
KINGSTON ROAD & BALSAM AVE.	C. G. GREEN	"
LEASIDE	W. H. COGHILL	"
MONARCH PARK & DANFORTH AVES.	E. H. ANDERSON	"
	J. B. ATKINS	"
	S. McCUTCHEON	"
	H. T. BEATY	"

TORONTO—(Cont.)

NEW TORONTO	P. E. THOMLINSON	Manager
OAKWOOD AVE. & ROGERS RD.	T. M. SUTTON	"
PAPE & SAMMON AVES.	B. B. VALE	"
QUEEN & BATHURST STS.	J. M. HOUSTON	"
QUEEN ST. & CARLAW AVE.	H. A. CROSS	"
QUEEN ST. & KINGSTON RD.	H. S. HADGRAFT	"
QUEEN ST. & RONCESVALLES AVE.	M. R. HAY	"
RUNNYMEDE & ANNETTE STS.	J. ANDERSON	"
ST. CLAIR & BOON AVES.	W. W. FIELD	"
ST. CLAIR AVE. & RUNNYMEDE RD.	F. W. CUMMINS	"
SILVERTHORN AVE. & ROGERS RD.	M. J. GOULD	"
WELLESLEY & SHERBOURNE STS.	K. H. LOVE	"
WEST TORONTO	W. E. CUSLER	"
WOODBINE & SAMMON AVES.	A. D. LEWIS	"
1953 YONGE ST.	A. H. WILSON	"
YONGE & ANN STS.	G. R. MURTON	"
YONGE & BLOOR STS.	J. B. PRIESTMAN	"
YONGE & QUEEN STS.	J. F. SCARTH	"
AMHERSTBURG	W. A. PATTERSON	"
AURORA	H. M. MCKENZIE	"
BOLTON	W. A. GREENWOOD	"
BRANTFORD	D. SUTHERLAND	"
CALEDON EAST	(Sub Branch to Bolton)	"
CALEDONIA	M. G. COBURN	"
CHATHAM	N. B. CUMMINS	"
COBALT	E. T. CUTTLE	"
COCHRANE	L. R. ANDERSON	"
COTTAM	W. J. GOLDEN	"
CRAMPTON	(Sub Branch to Ingersoll)	"
CRYSTAL BEACH	(Sub Branch to Ridgeway)	"
ENGLEHART	R. E. TRACY	"
ESSEX	W. R. RODGER	"
FERGUS	F. T. KYLE	"
FONTHILL	C. L. GORDON	"
FORT WILLIAM	W. M. PORTER	"
GALT	T. R. RICHARDSON	"
HAMILTON	P. B. REEVE	"
HARROW	A. L. SONLEY	"
HEARST	G. MENUZ	"
HUMBERSTONE	F. R. WILSON	"
INGERSOLL	A. O. MURRAY	"
JORDAN	(Sub Branch to Vineland)	"
JORDAN STATION	(Sub Branch to Vineland)	"
KAPUSKASING	C. A. KEHOE	"
KENORA	A. M. OWEN	"
KIRKLAND LAKE	C. L. GRISDALE	"
KITCHENER	J. W. THOMSON	"
LISTOWEL	L. T. CHARLTON	"
LONDON	H. ROBERTS	"
MATHESON	J. BRAWLEY	"
NASHVILLE	(Sub Branch to Bolton)	"
NEW LISKEARD	J. S. INK	"
NEWMARKET	F. H. HEWSON	"
NIAGARA FALLS	JOHN THOMSON	"
" QUEEN ST.	D. HUGHES	"
" SOUTH	J. H. ARKELL	"
" VICTORIA AVE.	J. A. GROSKURTH	"
NIAGARA-ON-THE-LAKE	R. H. MONTGOMERY	"
NOBLETON	(Sub Branch to Schomberg)	"
NORTH BAY	J. D. PATTERSON	"
OTTAWA	J. WALKER	"
PALGRAVE	(Sub Branch to Bolton)	"
PORT ARTHUR	J. W. WILLIS	"
PORT COLBORNE	J. F. MacKAY	"
PRESTON	F. B. THOMSON	"
QUEENSTON	(Sub Branch to St. Davids)	"
RED LAKE	(Sub Branch to Sioux Lookout)	"
RICHARDS LANDING	J. T. BEWS	"
RIDGWAY	C. A. HAMILTON	"
ST. CATHARINES	E. J. BAKER	"
" EAST END	C. C. CASE	"
" MARKET	A. F. ROBERTSON	"
ST. DAVIDS	A. T. MINNIS	"
ST. THOMAS, EAST END	T. R. JONES	"
" WEST END	M. A. RICHARDSON	"
SANDWICH	E. B. REYNOLDS	"
SAULT STE. MARIE	F. C. TROTT	"
" GORE & QUEEN STS.	R. B. WANSBROUGH	"

SCHOMBERG	E. SMITH	Manager
SIoux LOOKOUT	J. A. HODDER	"
SOUTH PORCUPINE	F. E. COOPER	"
STAMFORD	C. W. GRIME	"
SUDBURY	W. G. CHAMBERS	"
THESSALON	W. McGUIRE	"
THOROLD	J. R. HENLEY	"
TIMMINS	H. C. SCARTH	"
VINELAND	E. H. COLEMAN	"
WALKERVILLE	W. T. CARTHEW	"
WELLAND	H. J. ARBUCKLE	"
WINDSOR	J. H. ROLPH	"
WOODSTOCK	G. J. LACKNER	"
	L. R. LLOYD	"

PROVINCE OF QUEBEC

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

PROVINCE OF MANITOBA

BRANDON	R. CARSON	Manager
CIMLI	(Sub Branch to Riverton)	"
PORTAGE LA PRAIRIE	H. M. SAMPSON	"
RIVERTON	J. C. B. WILLIAMSON	"
WINNIPEG	A. D. DUNCAN	"
	J. BURGOYNE	Assistant
" ARLINGTON ST. & WESTMIN-		"
" STER AVE.	V. J. MANN	"
" NORTH END	T. J. SLATTERY	"
" ST. VITAL	R. S. McCLAY	"

PROVINCE OF SASKATCHEWAN

ASSINIBOIA	J. E. JOHNSON	Manager
BALGONIE	M. E. A. MARSHALL	"
BENGOUGH	C. D. HARDY	"
BENSON	L. F. FLURY	"
BRACKEN	L. J. BERGMAN	"
BROADVIEW	R. MAVOR	"
CANWOOD	D. C. HOWELL	"
CODERRE	O. L. KIMBALL	"
CREELMAN	J. M. MacLEAN	"
FORT QU'APPELLE	H. WILLSON	"
GOODWATER	R. L. WASSON	"
GRIFFIN	A. MacMILLAN	"
HAGUE	P. R. NEELY	"
HALBRITE	F. B. PORTEOUS	"
HANDEL	K. N. ALLAN	"
HEPBURN	(Sub Branch to Hague)	"
LAIRD	L. L. MASON	"
LEWVAN		"
MAYMONT	H. B. McLEISH	"
MEADOW LAKE	J. H. NELSON	"
MIDALE	P. R. CARTER	"
MOOSE JAW	A. S. ROSENROLL	"
MOSSBANK	J. GARRISON	"
NORTH BATTLEFORD	F. R. MUIR	"
PANGMAN	M. J. MONGEON	"
PIAPOT	G. W. STERLING	"
PRINCE ALBERT	J. W. McDIARMID	"
READLYN	J. A. TEMPLETON	"
REGINA	F. W. SCRIMES	"
ROCKGLEN	C. A. BLAD	"
ROSTERN	P. C. F. ROUTLEDGE	"
SASKATOON	J. A. G. CLOKIE	"
SPRINGWATER	A. J. RICHES	"
STOUGHTON	H. I. SHAW	"
TRIBUNE	H. McLEAN	"
WEYBURN	H. J. MORGAN	"
WILKIE	W. P. GRAHAM	"
YELLOW GRASS	E. G. BROWELL	"

PROVINCE OF ALBERTA

ATHABASCA.....	J. G. DEACON.....	Manager
BANFF.....	W. V. GODDARD.....	"
CALGARY.....	J. A. WETMORE.....	"
" EAST END.....	H. J. HAYLOCK.....	"
DONALDA.....	E. REBURN.....	"
ECKVILLE.....	H. S. MANN.....	"
EDBERG.....	MARK COOK.....	"
EDMONTON.....	G. R. F. KIRKPATRICK.....	"
" NORWOOD BOULEVARD.....	L. S. MacKERSY.....	Assistant
" SOUTH.....	J. VEREKER.....	"
" WEST.....	J. M. KINNEAR.....	"
EDSON.....	H. W. HARRISON.....	"
FERINTOSH.....	H. C. MacDONALD.....	"
GRANDE PRAIRIE.....	J. MacGREGOR.....	"
JASPER.....	C. C. FAWCETT.....	"
MILLET.....	A. McKENZIE.....	"
NEW NORWAY.....	J. A. ENGLISH.....	"
RED DEER.....	J. A. BLACK.....	"
ROCKY MOUNTAIN HOUSE.....	J. BALLANTYNE.....	"
SANGUDO.....	S. G. HOOKER.....	"
SYLVAN LAKE.....	J. H. CLARK.....	"
WETASKIWIN.....	F. L. APPLETON.....	"
	H. W. WRIGHT.....	"
	A. FREESON.....	Assistant

PROVINCE OF BRITISH COLUMBIA

CRANBROOK.....	J. D. MCGILLIVRAY.....	Manager
ERNIE.....	H. L. REID.....	"
GOLDEN.....	F. P. THOMAS.....	"
INVERMERE.....	A. ASHWORTH.....	"
NATAL.....	G. B. TURNER.....	"
NELSON.....	W. R. GRUBBE.....	"
REVELSTOKE.....	W. K. WICKENS.....	"
VANCOUVER.....	W. M. SELLENS.....	"
" FAIRVIEW.....	K. ANDERSON.....	"
" HASTINGS & ABBOTT STS.....	C. G. T. HARCOURT.....	"
VICTORIA.....	J. H. D. BENSON.....	"

Imperial Bank of Canada

Principal Agents and Correspondents

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

Imperial Bank of Canada

PROCEEDINGS

OF THE

SIXTIETH ANNUAL GENERAL MEETING OF THE
SHAREHOLDERS

*Held at the Banking House of the Institution in Toronto,
on Wednesday, 28th November, 1934,
at noon.*

The Sixtieth Annual General Meeting of the Imperial Bank of Canada was held at the Head Office of the Bank in Toronto, on Wednesday, 28th November, 1934.

Amongst those present were:—Gordon H. Aikins, K.C. (Winnipeg), W. J. Aitchison (Hamilton), H. S. Banfield, C. F. Bate, A. M. Bethune, A. L. Bishop, G. E. H. Booth (Lambton Mills), E. K. Boulton, A. R. Capreol, C. Carter (Hamilton), E. J. Case, R. S. Clark, W. A. M. Cook, R. R. Corson, T. E. Davies (Port Colborne), Ven. Archdeacon Doherty, H. W. Dow (Hamilton), A. E. Ferrie, W. Field, W. E. Fleury, G. C. Foster, John Hadden, L. A. Hamilton, A. R. B. Hearn (Montreal), G. C. Heintzman, E. A. Hetherington, J. W. Hobbs, H. C. Houston, Frank Hunnisett, G. R. F. Kirkpatrick (Edmonton), H. T. Jaffray, John B. Kay, Geo. N. Kendall, Thos. E. Knowlton, Walter C. Laidlaw, E. W. Langley, Charles F. Lee, A. G. Lefroy, E. B. LeRoy, W. B. Maclean, A. R. Martin, W. J. Medland,

Imperial Bank of Canada

Col. J. F. Michie, W. G. More, R. O. McCulloch, W. L. McDonald, H. E. McLaren (Hamilton), Allan McPherson (Orillia), F. McPhillips, John A. Northway, A. L. Ogden, Col. E. B. O'Reilly, A. G. Parker, F. D. N. Paterson, H. B. Patton, Gordon A. Peters, A. E. Phipps, J. G. Ramsey, H. F. Rice, John F. Risley (Paris Station), N. Robertson, F. A. Rolph, Robert Ross, A. C. Rome, H. C. Roxborough, J. F. Scarth, James Scott, H. E. Sellers (Winnipeg), G. B. Strathy, Charles Swabey, Miss Ida M. Thayer, F. G. Venables, H. Frank Vigeon, R. S. Waldie, J. Watt, James S. Whicher, David M. Woods, W. B. Woods.

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. F. G. Venables, were appointed Scrutineers.

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

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

REPORT

The Directors have pleasure in presenting the Sixtieth Annual Report and Balance Sheet of the business and affairs of the Bank as on 31st October, 1934, 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.. \$ 581,282.21

Net profits for the year ended 31st October, 1934, after making appropriations to contingency accounts, out of which accounts full provision for bad and doubtful debts has been made, were..... 1,231,992.97

Making a total at credit of Profit and Loss Account of..... \$1,813,275.18

This amount has been appropriated as follows:—

Dividends at the rate of 10% per annum....	\$ 700,000.00
Annual Contributions to Officers' Pension and Guarantee Funds.....	47,500.00
Reserved for Contingencies.....	300,000.00
Dominion Government and other Taxes paid and reserved.....	170,000.00
Balance of Account carried forward.....	595,775.18
	<u>\$1,813,275.18</u>

A Branch of the Bank was opened during the year at Red Lake, Ontario, while the Branches at Old Weston Road and Keele Street, Toronto, at James Street, Sault Ste. Marie, Ontario, and at Michel, B.C., were closed.

All Branches of the Bank, now numbering 197, also the Head Office, have, in accordance with the usual custom, been carefully inspected during the year and the Auditors

Imperial Bank of Canada

appointed by you under the Bank Act have made their examinations as required by law. Their Report and Certificate is attached to the Balance Sheet.

Your Directors again wish to express their appreciation of the efficient manner in which the officers of the Bank continue to discharge their respective duties.

All of which is respectfully submitted.

Toronto, 27th November, 1934.

FRANK A. ROLPH,
President.

PROFIT AND LOSS ACCOUNT

31st OCTOBER, 1934

Balance 31st October, 1933.....	\$ 581,282.21
Net profits for the year ended 31st October, 1934, after making appropriations to contingency accounts, out of which accounts full provision for bad and doubtful debts has been made	1,231,992.97
	<u>\$1,813,275.18</u>

Dividends at the rate of 10% per annum \$	700,000.00
Contribution to Officers' Guarantee Fund	7,500.00
Contribution to Officers' Pension Fund..	40,000.00
Reserved for Contingencies	300,000.00
DOMINION GOVERNMENT AND OTHER TAXES, including tax paid on circulation and Reserve for Income Tax..	170,000.00
Balance of Account carried forward.....	595,775.18
	<u>\$1,813,275.18</u>

RESERVE FUND

Balance at Credit of Account 31st October, 1934.....	<u>\$8,000,000.00</u>
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FRANK A. ROLPH,
President.

A. E. PHIPPS,
General Manager.

SIXTIETH ANNUAL

31st OCTOBER

LIABILITIES

Notes in Circulation.....	\$ 8,375,638.00
Deposits by and balances due to Dominion Government.....	\$ 3,498,177.90
Deposits by and balances due to Provincial Governments.....	2,248,389.12
Deposits by the public not bearing interest.....	15,353,916.39
Deposits by the public bearing interest, including interest accrued to date of Statement.....	85,661,459.70
	106,761,943.11
Advances under the Finance Act.....	1,590,000.00
Deposits by and balances due to other Banks in Canada.....	\$ 2,254,426.30
Deposits by and balances due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries.....	1,083,350.80
Letters of Credit Outstanding.....	435,066.58
	3,772,843.68
Total Liabilities to the Public.....	\$120,500,424.79
Capital Paid Up.....	\$ 7,000,000.00
Reserve Fund.....	8,000,000.00
Dividends declared and unpaid.....	176,431.48
Balance of Profits as per Profit and Loss Account.....	595,775.18
	15,772,206.66

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 31st October, 1934, 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, F.C.A.
of Peat, Marwick, Mitchell & Co.
D. McK. McCLELLAND, F.C.A.
of Price, Waterhouse & Co.

Toronto, 19th November, 1934.

\$136,272,631.45

BALANCE SHEET

1934

ASSETS

Gold and Coin.....	\$ 531,544.17
Dominion Notes.....	9,283,913.00
United States and other Foreign Currencies.....	38,413.41
	\$ 9,853,870.58
Deposit in the Central Gold Reserves.....	2,000,866.66
Deposit with the Minister of Finance for the security of note circulation.....	456,723.24
Notes of other Banks.....	388,510.00
Cheques on other Banks.....	6,744,666.19
Due by other Banks in Canada.....	606,103.86
Due by Banks and Banking Correspondents elsewhere than in Canada.....	2,666,986.35
	\$22,717,726.88
Dominion and Provincial Government Securities direct and guaranteed (maturing within two years), not exceeding market value.....	\$ 3,611,065.80
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value.....	20,126,944.66
Canadian Municipal Securities, not exceeding market value.....	5,465,264.78
Other Bonds, Debentures and Stocks, not exceeding market value.....	154,007.70
	29,357,282.94
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover.....	\$ 7,012,892.97
Loans to Provincial Governments.....	3,200,013.53
Loans to Cities, Towns, Municipalities and School Districts.....	7,550,297.73
	17,763,204.23
Other Current Loans and Discounts in Canada, less rebate of interest, estimated loss provided for.....	58,926,933.08
Non-current Loans, estimated loss provided for.....	298,333.49
Real Estate other than Bank Premises.....	196,255.03
Mortgages on Real Estate sold by the Bank.....	400,037.22
Bank Premises, at not more than cost, less amounts, if any, written off.....	6,000,000.00
Liabilities of Customers under Letters of Credit as per contra.....	435,066.58
Other Assets not included under the foregoing heads..	177,792.00
	\$136,272,631.45

FRANK A. ROLPH,
President.

A. E. PHIPPS,
General Manager.

THE PRESIDENT'S ADDRESS

Ladies and Gentlemen:

It is my pleasure and privilege to present to you the Sixtieth Annual Report of the Imperial Bank of Canada. You will notice by the Balance Sheet now before you that the net profits for the year are slightly higher than for the previous year and that we carry forward a slightly larger amount to the credit of Profit and Loss Account. Throughout the year we have maintained the dividend rate of ten per cent (10%) per annum and the results obtained have justified our doing so. The Report is gratifying to the Directors and will, we hope, meet with your approval.

FOREIGN SITUATION

The political situation in Europe is causing a great deal of uncertainty throughout the business world, and the disturbances which have been taking place, together with the rumours of further troubles to come, are retarding business development along international lines. For a considerable period of time, especially within the last twenty years, an evolution has been taking place throughout the world whereby there is gradually evolving better conditions for the under-privileged classes. A most drastic form, perhaps, took place in Russia by means of a revolution and the ultimate result is still much in doubt. Italy, by means of a powerful Dictator, is far better off than she was previously, and how much further she will be able to go along present lines is still to be determined. Germany also is trying a different method, more drastic, and may bring disastrous results. In the United States, under President Roosevelt's policy, a readjustment is taking place which we hope is going to be beneficial, but the situation is so involved at the present time that we cannot see the final outcome of it. We are hoping for the best. In Great Britain the same process of evolution is under way, but along democratic lines with the co-operation of the people, and under sane legislation, which is bringing about the best results of any of the European countries. All these readjustments are along the lines of betterment, especially for the working or under-privileged classes. What we appear to suffer from throughout the world at the present time is not over-production of any one product, but lack of methods of distribution.

A readjustment is necessary, not a redistribution of money as represented by gold and silver, but a redistribution of the products of the world so that the surplus products of one country are made available for the needs of the others. It is a complex problem—a problem of the first magnitude, but one which is in process of being solved, and while this process may be slow, we will have to exercise patience and do our part towards that readjustment and redistribution which is essential for the world's welfare.

CANADIAN CONDITIONS

A few weeks ago I made a trip through to the Pacific coast with our General Manager, Mr. Phipps, and our two Winnipeg Directors, Colonel Aikins and Mr. Sellers, and our Western Superintendent, Mr. Ritchie, and as Secretary to the party, Mr. H. P. Baker of Head Office. We visited most of our important branches from Winnipeg to Victoria and interviewed many of our Managers of smaller branches who met us at central points. We found conditions generally much better than we expected, and notwithstanding the trying periods through which our Western farmers have passed, we found them still of good heart and carrying on with a desire to meet their financial obligations and to maintain their farms. Even in districts as hard hit as Southern Saskatchewan they have still kept up their courage and express a desire to meet and pay their debts. We admire our Western people for the way in which they meet adversity and carry on under trying conditions. Notwithstanding the severe losses suffered by the people of the West, through drought, the country as a whole shows an improved condition over 1933. Some old accounts are being adjusted, borrowers appear anxious to liquidate their liabilities and are giving evidence of their desire to do so.

BRITISH COLUMBIA.—While there is still considerable unemployment in the Province of British Columbia, there has recently been quite a revival in the mining industry and also in the lumbering industry—Great Britain and the Overseas Dominions being the most important customers for British Columbia lumber. Trade Agreements, especially the Ottawa Agreement, are responsible for the much larger export of lumber from British Columbia to Great Britain, Australia, South Africa and other Overseas Dominions, besides foreign markets. The loss of the United States'

market, on account of tariff restrictions, has been practically made up by the increased markets which have been obtained from the sources I have mentioned.

ALBERTA.—In the Province of Alberta the reports which we have received from our Branch Managers and from our own observations while in the West, indicate that conditions on the whole are better than in 1933, and optimism is the keynote for the future. This province had a larger crop of wheat in 1934 than in 1933, and with better prices the situation looks considerably improved.

SASKATCHEWAN.—The Province of Saskatchewan has perhaps been the greatest sufferer of all our Western provinces in regard to crops and general conditions, they having been more severely hit by the drought than any of the other Prairie provinces, but notwithstanding this, collections are slightly better than they were last year and better prices obtainable. If they could only get an average crop next year, at present prices, many of their financial difficulties would be solved for them.

MANITOBA.—The wheat crop in Manitoba was slightly higher in 1934 than in 1933 and they have a larger diversity of interests in Manitoba than in some of the other Western provinces, and in Winnipeg they are looking forward with considerable optimism to the year ahead.

IN ONTARIO and QUEBEC where somewhat similar conditions prevail there has been a considerable recovery in manufacturing, with higher commodity prices, which shows itself quite markedly throughout these two industrial provinces. The bottom of the depression was touched about February, 1933, nearly two years ago, and the recovery has been going on ever since that time, slowly and somewhat irregularly, but since that date substantial gains have been made. The outlook for the newsprint industry is greatly improved with the greater demand and the price advance which has recently been announced. This will also have a beneficial effect upon the lumbering industry and, as a consequence, our woods' activities will undoubtedly increase this winter and will aid materially in the matter of employment. In these two provinces there has also been a greater activity in the mining industry which is resulting in a larger output of gold and silver, as well as other metals, and this is going to give additional employment to many men. In light

manufacturing there has also been a reasonable increase in volume, but it is not yet up to what might reasonably have been expected in view of the advance in other directions.

In the MARITIME PROVINCES we have no branches, consequently we have no direct reports, but Government Statistics go to show that there has been a very marked improvement in conditions throughout the Maritimes which is most encouraging.

GENERAL

Taking it all in all, there is a general growth in Canadian business as shown by the Dominion Bureau of Statistics reporting Exports up and Imports up. There is nothing to indicate a boom, for which we may be thankful, but the general improvement which has taken place throughout the year looks encouraging for the future. Commodity prices are up in most lines and, generally speaking, there is a better feeling throughout the industrial and financial markets of Canada.

RAILWAY SITUATION

The operating deficit of approximately One Million Dollars (\$1,000,000.00) per week which the tax-payers of Canada are paying to maintain the Canadian National Railways is still one of the most serious obstacles to the balancing of our Canadian budget. It is very difficult to determine what is the best step to take to relieve ourselves of this burden. From a purely economical standpoint, it seems absurd to maintain duplicate services where only one is required. Together with many others, I dislike the thought of a monopolization of our railway system, but from an economic standpoint I cannot help but feel that in Mr. Beatty's solution by unification lies the only measure which will bring the maximum of relief. Co-operation is accomplishing something, but only a small part of what could be accomplished if we could do away with the great duplication of effort and expense which now prevails.

BANK OF CANADA

Now that the Bank of Canada is established in Canada, it is up to us to support it. The views which Mr. Phipps and I expressed at our last Annual Meeting, regarding the establishment of a Central Bank, have not changed, but we feel that we may congratulate the Government on the

appointment of Mr. Towers as Governor of the Bank, and of Mr. Osborne, Secretary of the Bank of England, as Deputy-Governor. Under these two gentlemen we should have a wise and fair administration, and so far as this Bank is concerned we will endeavor to co-operate with them.

EXPENSES OF GOVERNMENT

A few moments ago I mentioned the cost to the tax-payers of Canada in connection with one item of Government expenditure, namely the maintenance of the Canadian National Railways. This is only one of the services for which we are paying too much. I am not a politician—never have been and hope never to be—but the truth of the matter is, we have altogether too much governing in this Canada of ours. We need a Federal Government, but we do not need more than half of the Provincial Governments we have. We do need a certain amount of municipal administration, but we have four or five times what is required for the maintenance of law and order and the other essential services required for carrying-on the necessary business of governing a people. I am not finding fault with any particular administration, Federal, Provincial or Municipal, at the present time. I merely throw out the very general remark that we have altogether too much of it. I hope somebody with more knowledge and ability than I have will devise some means of suggesting to the people of Canada a Government, or Governments, which will be adequate without having it as cumbersome, unwieldy and expensive as what we are laboring under, in its different forms, in Canada to-day.

NEW BUILDING

This present Head Office building has been occupied by the Bank since its inception in 1875. We have long had under contemplation a new Head Office building, but have postponed taking the step until we considered the time opportune. Many years ago we purchased the property on the northwest corner of King and Yonge Streets, which was later expropriated by the Dominion Government for the use of the Canadian National Railways. We then purchased the Union Bank of Canada building on the southeast corner of Bay and King Streets, together with additional property adjoining so as to give us a site of 100 ft. frontage on King Street and 100 ft. on Bay Street, to enable us to

erect a Head Office building at the proper time. Very careful consideration has been given to this by the Executives and Directors of the Bank and we were all unanimous in the opinion that it was high time for us to erect our new Head Office building. Our present quarters here on Wellington Street are out of date and away from the financial centre of the city. We are satisfied that more business will result to the Bank when we move to the new building which will be in the heart of the financial district of Toronto. We have no intention of being extravagant. We will utilize the framework of the present corner building, but will merge it all into one complete 100-foot block, making a dignified, useful building in which to conduct the Bank's business. A general contract for this new building has already been signed and the work will be well under way early in the New Year. It will probably take about twelve months to complete, and we have some slight hope that our next Annual Meeting will be held in the new building.

In closing, I would again like to express my high appreciation of the services rendered by the entire staff of the Bank. They have carried-on their work faithfully and efficiently.

I beg to move the adoption of the Report and would call upon Mr. Waldie to second it, but before putting the motion, I will ask our Director and General Manager, Mr. A. E. Phipps, to speak to you about the Balance Sheet and Profit and Loss Account.

THE GENERAL MANAGER'S ADDRESS

I trust you will find the statements of Profit and Loss Account and the General Balance Sheet, which are in your hands, satisfactory. As was the case last year, there has been very little change in the figures—but there has been a moderate further improvement in the position, and a slight increase in the earnings and the totals of the major items in the Balance Sheet.

Those of you who are observant will note that the wording of the profit item has been changed. Whereas formerly we declared that the profits for the year were so much, after paying all expenses and providing for all bad and doubtful debts, the relative statement this year is “after making appropriations to contingency accounts, out of which accounts full provision for bad and doubtful debts has been made.” We have been asked to adopt this new phraseology for the sake of uniformity, but it means exactly what our former statements did, that the profits for the year are after making full provision for all expenses and bad and doubtful debts out of the current year's earnings.

The profits at \$1,231,992.97, compared with \$1,204,038.70 for 1933, show an increase of nearly \$28,000 and have been sufficient to provide for the dividends at the rate of 10% per annum and enable us to write to contingencies the sum of \$300,000 as against \$250,000 last year, and to carry forward \$595,775.18, which is about \$15,000 more than last year.

GENERAL STATEMENT

There has been an increase of \$475,420 in circulation, which now stands at \$8,375,638. Deposits are up \$2,312,893.26 and now stand at \$106,761,943.11—the increase being altogether in deposits by the public bearing interest, the figures being \$85,600,000 compared with \$83,300,000 in 1933. The Bank's total deposits in the 1932 statement were 99½ million dollars.

The other liabilities are advances under the Finance Act, which, as formerly explained, is the Bank's share of the loan of \$35,000,000 to the Dominion Government financed in this way in November 1932. Deposits by other Banks in Canada and elsewhere and Letters of Credit Outstanding

are about \$1,000,000 less. This has no significance, as these accounts fluctuate from day to day. Total liabilities to the public stand at \$120,500,424.79 compared with \$118,733,-282.52 in October, 1933, an increase of \$1,767,142.27, and reflects an improvement all along the line. The expansion in circulation and deposits indicates increased activity in business.

ASSETS

The position of the assets is almost unchanged from last year—the actual cash is \$9,800,000 odd compared with \$9,900,000 odd a year ago. The cash and cash items together total \$22,717,000 odd compared with \$22,366,000 last year. The securities made up of Dominion and Provincial Government Bonds \$23,700,000 odd, municipal securities \$5,400,000 odd, and other good bonds \$154,000, total \$29,357,282.94 compared with \$29,224,564.24. There has been an increase of a little over \$1,000,000 in the Call Loans which stand at \$7,012,892.97 caused by increased activity in loans to brokers. Advances to Provincial Governments have increased some \$320,000 and stand at \$3,200,013.53, while the loans to Cities and Municipalities of \$7,550,297.73 are down \$1,000,000, which we hope is a sign of not such free borrowing by municipal authorities.

The total of the amounts mentioned above comprises what we call the quick assets of the Bank and equal 58.4% of the Bank's liabilities to the public compared with 58% last year—the proportion of actual cash and cash assets being 18.85%.

The current loans are nearly \$59,000,000 against \$57,500,000 in 1933 and 1932. The Bank Premises remain at \$6,000,000.

The other minor items making up the Assets remain in much the same or slightly improved position.

BRANCHES

The Branches of the Bank now number 197—a reduction of 2 during the year. The largest number of Branches the Bank ever had in operation was 227 at the end of 1931. It is interesting to note that the greatest number of Branches operated by all the Canadian Banks was 4,876 in 1920 of which 200 were outside of Canada—the figures are now 3,762 Branches of which 155 are outside of Canada.

SHAREHOLDERS

The shareholders of the Bank total 2,652 compared with 2,645 a year ago. The shares held by residents of the United States number 8,765 divided amongst 343 shareholders compared with 8,568 shares with the same number of shareholders a year ago.

STAFF

The Staff at present numbers 1,351 compared with 1,380 a year ago. The Staff have worked very loyally and well during the year and it is to their devotion to duty that the satisfactory statement you have before you is principally due.

GENERAL

This concludes the explanations I have to make of the Bank's business and so on, and really brings to a close the duty imposed upon me by the President who has dealt with the present condition of business and the future outlook very well indeed. With Mr. Rolph's remarks I thoroughly agree and have little to add to them.

One of the matters talked about by him which must be of interest to every shareholder is the erection of the Bank's new Head Office building at the corner of King and Bay Streets, Toronto, which is now definitely under way. Doubtless you have seen and read enough in the newspapers to give you a very good idea of the size and proportions of the building. It will be a simple but handsome structure devoted entirely to the purposes of the Bank, although at the beginning there may be a moderate amount of space included to take care of future expansion from which we may in the meantime derive some revenue. The banking room, which will be 22 ft. high and which will occupy the whole of the ground floor, should be sufficient for our needs for many years. The structure when completed we are satisfied will meet with your approval and will be a real acquisition to the business section of Toronto. Its cost has been stated to be something under \$1,000,000 but we expect to complete it for some \$750,000, so that we are not being unduly extravagant. We expect to move into the new building in about a year's time. Of course, thereafter we will maintain a Branch, complete in all respects, on the site of the present Head Office for the convenience of our old friends and

customers located in this vicinity. We have taken a long time to make up our minds to build a new Head Office, and I think your Directors have done wisely in waiting. We have been able to profit by the experience of others and are getting our building during a period of low cost construction, and moreover we are building it at a time when leadership, particularly in construction, is urgently required, and when the implied expression of confidence in going on with the work just now should be helpful.

INTEREST RATES

Towards the end of our fiscal year through the co-operation of the Dominion Government with the Chartered Banks and other institutions accepting deposits, an arrangement was arrived at whereby the rate of interest on deposits was again reduced—the rate upon savings deposits being 2% from the 1st November. This reduction was inevitable owing to the advancing price of Dominion Government and gilt-edge securities which, of course, means a substantial cut in income from such investments, of which the Banks are holding increasing quantities—the holdings by all the Chartered Banks of Dominion and Provincial securities alone at the end of September, 1934, being over \$710,000,000. The comparable figures for the two past decades being \$361,000,000 in 1924 with only 11½ millions in 1914. It is quite evident that a reduction in the rate of return of from ½ of 1% to 2% and even more on such a large proportion of the investments of the Banks meant that the Banks could no longer afford to be so generous to their Savings Bank depositors. The reduction in interest on deposits has also enabled us in some instances to reduce the rate of interest to important commercial accounts and thereby we hope stimulate business to some extent.

BANK OF CANADA

The President has alluded to the establishment of the Bank of Canada and I fully concur in all he has said. Now that the Government in its wisdom has gone about the establishment of the Bank of Canada we are glad to know that the provisions of the Act of Incorporation are moderate and generally satisfactory I believe to the Chartered Banks. I also would like to associate myself with the President's remarks regarding the selection of a Governor in the person of Mr. Graham F. Towers, whom I have known for a number

of years. I believe the appointment to be an excellent one and Mr. Towers assures me that the choice of Mr. J. A. C. Osborne as Deputy-Governor is entirely satisfactory to him. Mr. Osborne's experience in the Bank of England should render him a most valuable assistant to Mr. Towers in getting the Bank of Canada working to the satisfaction of everybody. As far as we are concerned we promise full co-operation and we trust that the Bank of Canada will prove a real cornerstone for Canadian finance.

In 1932 I told the meeting that the policy of the Imperial Bank of Canada was to continue to give the very highest service to all, assisting to the fullest extent consistent with safety those of our customers who were struggling honestly with adversity and extending the utmost leniency to our friends and customers for whom the going was hard, with the endeavor always before us to keep business on its feet and the farmer on the land. I repeat this is our policy to-day, and while it may for some time to come entail some rebate of interest and even in some cases a partial rebate of principal to those who are struggling, I am satisfied that policy is a sound one and will be found the best in the long run. As a matter of fact, we have already adopted it in some instances with satisfactory results.

Last year I ventured the opinion that we were slowly emerging from the condition in which we found ourselves two years ago, and I think that all of you will agree that the prediction was a happy one and proved to be correct. It is true that business slows up a little from time to time, but it goes forward again and each time the wave comes a little higher up the shore, and while the time of waiting is wearying and tries our patience I still am confident that barring any major disturbances in the world's affairs we are really on our way to better times.

THE PRESIDENT: I now beg to move, and will ask Mr. Waldie to second, that the Report which has been read be adopted, printed and circulated amongst the Shareholders.

MR. WALDIE: I beg to second the motion.

The Report was then unanimously adopted.

It was moved by Mr. J. F. Risley, seconded by Mr. J. G. Ramsey, and resolved:—

That A. B. Shepherd, F.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.

It was moved by Mr. L. A. Hamilton, seconded by Mr. W. B. MacLean, and resolved:—

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

Mr. G. H. Aikins, K.C., replied.

It was moved by Mr. R. R. Corson, seconded by Mr. A. G. Parker, and resolved:—

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.

Mr. G. D. Ritchie, Western Superintendent, Winnipeg, and Mr. A. H. Seguin, Manager, King and Bay Streets Branch, Toronto, suitably replied to the Resolution.

It was moved by Mr. H. F. Vigeon, seconded by Mr. A. G. Lefroy:—

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

The Scrutineers subsequently reported the following having been duly elected Directors for the ensuing year:—Frank A. Rolph, Col. J. F. Michie, R. S. Waldie, George C. Heintzman, J. W. Hobbs, Walter C. Laidlaw, John A. Northway, A. E. Phipps, G. H. Aikins, K.C., H. E. Sellers, R. O. McCulloch, W. B. Woods.

The meeting then adjourned.

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BRITISH & FOREIGN DEPARTMENT

HEAD OFFICE:

TORONTO

H. D. SCOTT, Manager

