

THE
BANK OF TORONTO,
TORONTO



SEVENTY EIGHTH
ANNUAL REPORT
NOV. 30 1933

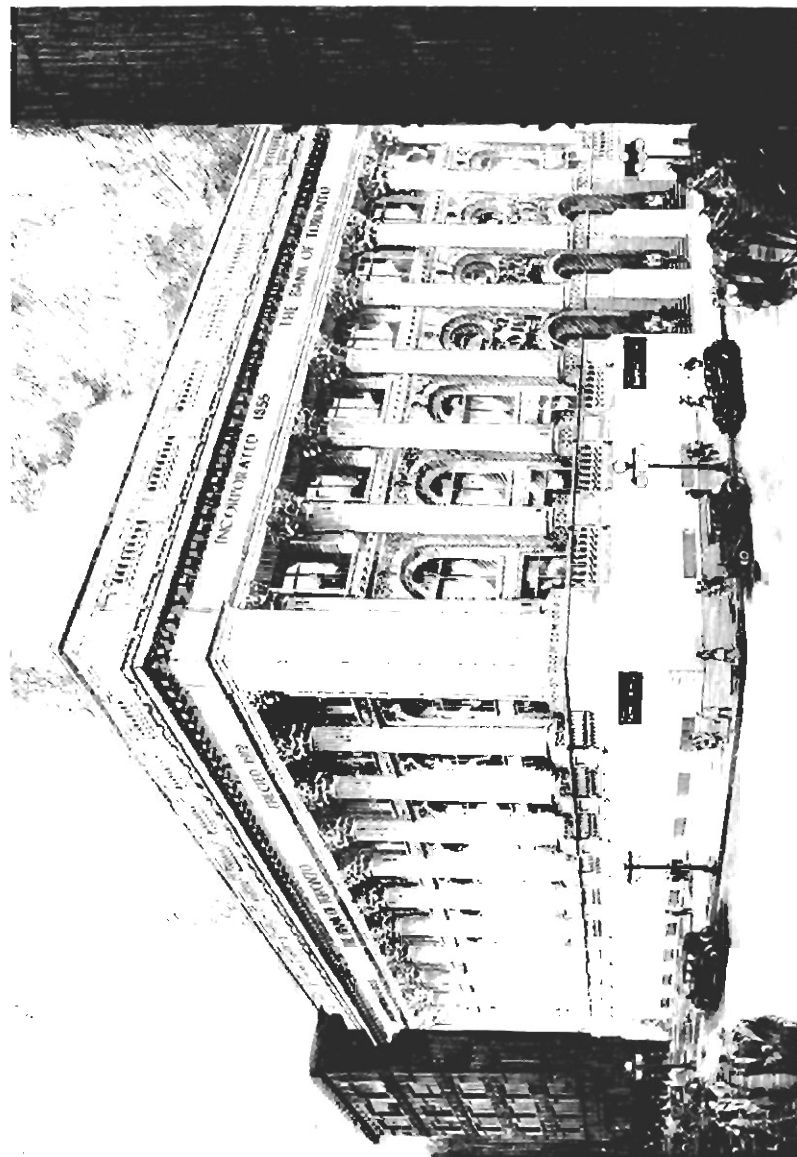
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THE
BANK OF TORONTO

TORONTO



SEVENTY EIGHTH
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THE BANK OF TORONTO, TORONTO

THE BANK OF TORONTO

SEVENTY-EIGHTH ANNUAL REPORT

NOVEMBER 30TH, 1933

INCORPORATED 1855

| | |
|------------------------------|-----------------|
| CAPITAL AUTHORIZED, - | \$10,000,000.00 |
| CAPITAL SUBSCRIBED, - - - | 6,000,000.00 |
| CAPITAL PAID-UP, - - - - | 6,000,000.00 |
| REST, - - - - - | 9,000,000.00 |
| PROFIT and LOSS ACCOUNT, - - | 614,674.14 |

THE BANK OF TORONTO

PRESIDENT

W. G. GOODERHAM, { President Canada Permanent Mortgage Corporation.
TORONTO. { " Manufacturers Life Insurance Co.
" Canada Permanent Trust Company.

VICE-PRESIDENT

JOHN R. LAMB, { General Manager
TORONTO. { The Bank of Toronto 1922 to 1928.

DIRECTORS

WILLIAM STONE, { Director Manufacturers Life Insurance Co.
TORONTO. { " Canada Permanent Mortgage Corporation.
" Canada Permanent Trust Co.

COL. A. E. GOODERHAM, { President Dominion of Canada General Insurance
TORONTO. { Company.
" Casualty Company of Canada.
Vice-President Canada Permanent Mortgage Corp.

BRIG.-GEN. F. S. MEIGHEN, { President & Managing Director Lake of the Woods
MONTREAL. { Milling Company, Ltd.
" New Brunswick Railway Company.
Director Canadian Pacific Railway Co.
" Canada North West Land Company, Ltd.

COL. WILLIAM I. GEAR, { President Crown Trust Co.
MONTREAL. { Vice-President Keewatin Flour Mills Co., Limited.
Director Wabasso Cotton Co., Limited.
Chairman, Board of Directors, Cassidy's Limited.

PAUL J. MYLER, { President Canadian Westinghouse Company, Ltd.
HAMILTON. { Vice-President Landed Banking & Loan Co.
Director The Toronto General Trusts Corporation.

ARCHIBALD H. CAMPBELL, { Director Consumers Gas Company.
TORONTO. { " The Toronto General Trusts Corporation.

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

HON. JAMES D. CHAPLIN, { President Welland Vale Manufacturing Company,
M.P., ST. CATHARINES. { Limited, St. Catharines.
Director Hayes Wheels and Forgings Limited,
Chatham.

THE BANK OF TORONTO

DIRECTORS—CONTINUED

THOS. F. HOW, TORONTO. { Retired.

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

HARVEY B. HENWOOD, { General Manager
TORONTO. { The Bank of Toronto.

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

GEORGE KIDD, { Director British Columbia Electric Railway Co., Ltd.
VANCOUVER. { " British Columbia Pulp & Paper Co., Ltd.
" British Columbia Packers Ltd.
" Yorkshire & Canadian Trust Company,
Limited.

AUBREY DAVIS, { Vice-President, Davis Leather Co., Limited.
NEWMARKET.

OFFICERS

HARVEY B. HENWOOD *General Manager.*
F. H. MARSH - - *Assistant General Manager.*
H. HOPKINS - - *Chief Inspector.*
R. PASHBY - - *Secretary.*
W. A. RUTHERFORD - *Chief Accountant.*

WESTERN OFFICIALS

J. A. WOODS - - *Western Superintendent.*
E. W. LAMPREY - { *Superintendent of*
British Columbia Branches.

AUDITORS 1934

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

THE BANK OF TORONTO

PROCEEDINGS OF THE

SEVENTY-EIGHTH ANNUAL GENERAL MEETING

HELD ON

WEDNESDAY, 17TH JANUARY, 1934

The Annual General Meeting of the Stockholders of The Bank (being the Seventy-Eighth since the commencement of business) was held, pursuant to the terms of the Charter, at the Banking House of the Institution, corner King and Bay Streets, Toronto, on Wednesday, 17th January, 1934.

Moved by Mr. PAUL J. MYLER, seconded by Mr. A. H. CAMPBELL, and

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

Carried

Moved by Col. A. E. GOODERHAM, seconded by Gen. F. S. MEIGHEN, and

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

Carried

Moved by Mr. J. DOUGLAS WOODS, seconded by Mr. WILLIAM STONE, and

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

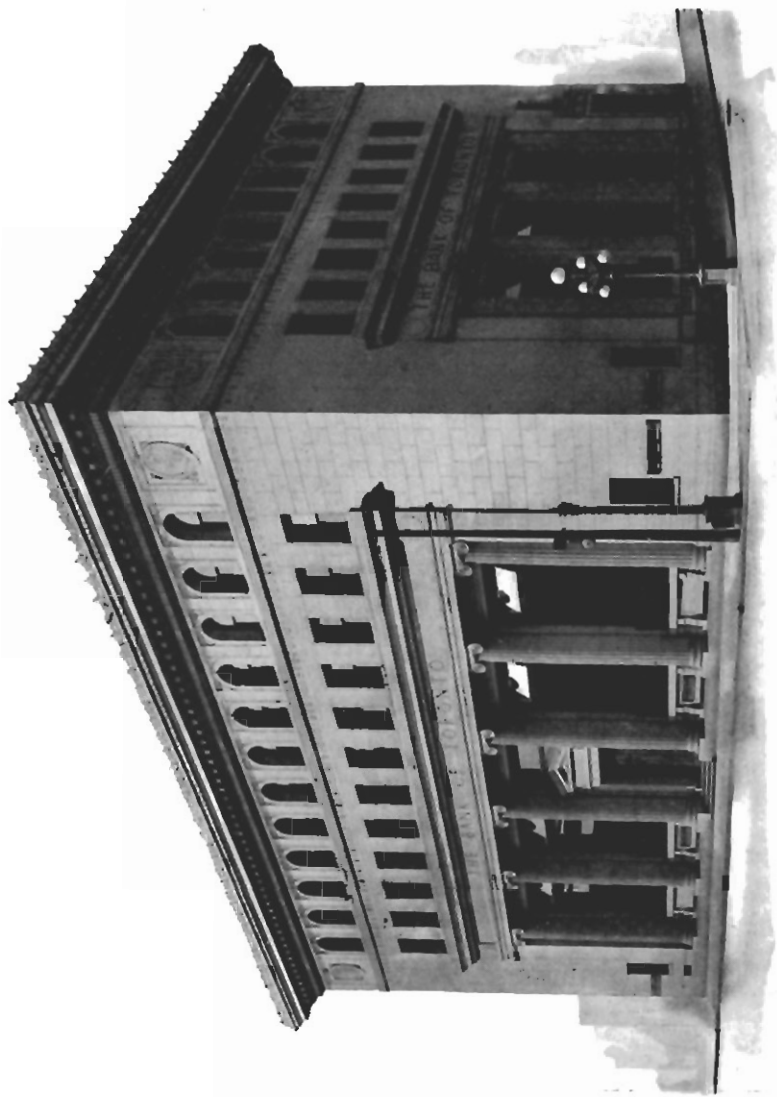
Carried

The Secretary then read the Annual Report as follows :

The Directors of The Bank of Toronto beg to present their Report for the year ending 30th November, 1933, together with the Statement of the Bank's affairs and the results of the operations for the year.



THE BANK OF TORONTO, MONTREAL



THE BANK OF TORONTO, VANCOUVER

THE BANK OF TORONTO

PROFIT AND LOSS ACCOUNT

| | |
|---|-----------------------|
| The Balance at credit of Profit and Loss, on 30th November, 1932, was | \$ 496,301 47 |
| The Net Profits for the year, after making full provision for all bad and doubtful debts, amounted to the sum of .. | 1,037,922 22 |
| | <u>\$1,534,223 69</u> |

This sum has been appropriated as follows:—

| | |
|--|-----------------------|
| Dividend No. 206, 2½% paid 1st March, 1933 ... | \$150,000 00 |
| Dividend No. 207, 2½% paid 1st June, 1933..... | 150,000 00 |
| Dividend No. 208, 2½% paid 1st Sept., 1933..... | 150,000 00 |
| Dividend No. 209, 2½% payable 1st Dec., 1933.... | 150,000 00 |
| | <u>\$600,000 00</u> |
| Tax on Circulation | \$59,549 55 |
| Reserve for Accrued Taxes..... | 100,000 00 |
| Transferred to Officers' Pension Fund..... | 60,000 00 |
| Written off Bank Premises | 100,000 00 |
| | <u>319,549 55</u> |
| Carried forward to next year | 614,674 14 |
| | <u>\$1,534,223 69</u> |

W. G. GOODERHAM,
President

HARVEY B. HENWOOD,
General Manager

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

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

All of which is respectfully submitted,

W. G. GOODERHAM,
President

THE BANK OF TORONTO

GENERAL NOVEMBER 30TH

LIABILITIES

| | |
|---|-------------------------|
| Notes of the Bank in Circulation | \$5,750,284 00 |
| Deposits bearing interest, including interest accrued to date of statement..... | \$74,739,408 17 |
| Deposits not bearing interest..... | 15,698,326 53 |
| | <u>90,437,734 70</u> |
| Advances under the Finance Act | 1,500,000 00 |
| Balances due to other Banks in Canada (daily exchanges) | 658,787 30 |
| Balances due to Banks and Banking corres- pondents in the United Kingdom and Foreign Countries..... | 999,895 64 |
| | <u>1,658,682 94</u> |
| Bills Payable..... | 382,500 00 |
| Letters of Credit outstanding | 1,272,746 58 |
| Liabilities not included in the foregoing | 231,607 58 |
| | <u>\$101,233,555 80</u> |
| Quarterly Dividend, payable 1st Dec., 1933. | 150,000 00 |
| Dividends unpaid..... | 932 74 |
| | <u>150,932 74</u> |
| Capital paid up..... | \$6,000,000 00 |
| Rest | 9,000,000 00 |
| Balance of Profit and Loss Account carried forward..... | 614,674 14 |
| | <u>15,614,674 14</u> |
| | <u>\$116,999,162 68</u> |

THE BANK OF TORONTO

STATEMENT 1933

ASSETS

| | |
|--|-------------------------|
| Current Gold and Silver coin..... | \$ 386,350 56 |
| Dominion Notes..... | 7,709,205 00 |
| Deposit in the Central Gold Reserves..... | 630,866 66 |
| Notes of other Banks..... | 412,535 00 |
| United States and other foreign currencies.. | 19,053 48 |
| Cheques on other Banks..... | 5,238,934 98 |
| Balances due by Banks and banking corres- pondents elsewhere than in Canada..... | 3,164,433 97 |
| | <u>\$17,561,379 65</u> |
| Dominion and Provincial Government Securi- ties, not exceeding market value..... | 33,511,797 73 |
| Canadian Municipal Securities and British, foreign and colonial public Securities other than Canadian not exceeding market value..... | 7,131,491 93 |
| Railway and other Bonds, Debentures and Stocks, not exceeding market value.... | 1,010,714 76 |
| | <u>41,654,004 42</u> |
| Call and Short (not exceeding thirty days) Loans in Canada, on Bonds, Debentures and Stocks and other securities of a suf- ficient marketable value to cover..... | 4,083,431 32 |
| | <u>45,737,435 74</u> |
| | <u>\$63,298,815 39</u> |
| Other Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful Debts | 48,046,085 91 |
| Non Current Loans (estimated loss provided for)..... | 386,141 10 |
| | <u>48,432,227 01</u> |
| Deposit with the Minister for the purposes of the Circulation Fund..... | 315,801 57 |
| Mortgages on Real Estate Sold..... | 44,055 60 |
| Liabilities of Customers under Letters of Credit, as per contra Bank Premises, at not more than cost, less amounts written off..... | 1,272,746 58 |
| | <u>3,635,516 53</u> |
| | <u>\$116,999,162 68</u> |

W. G. GOODERHAM,
President.

HARVEY B. HENWOOD,
General Manager.

AUDITORS' REPORT TO THE SHAREHOLDERS

To the Shareholders of The Bank of Toronto :

We have examined the books and accounts of The Bank of Toronto at its Head Office and have been furnished with certified returns from the Branches, and report that the above statement of liabilities and assets as at the 30th November, 1933, is in accordance therewith and in our opinion discloses the true condition of the Bank. We have verified the cash and the securities representing the Bank's investments held at the Head Office at the close of the Bank's fiscal year, and during the year we counted the cash and examined the securities at certain of the important Branches. We have received all the information and explanations we have required, and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank.

D. McK. McCLELLAND, F.C.A.
of Price, Waterhouse & Co.
W. D. GLENDINNING, C.A.
of Glendinning, Gray & Roberts

Toronto, 19th December, 1933

PRESIDENT'S ADDRESS

GENTLEMEN:

After another difficult and anxious year we are pleased to be able to present to you at this meeting figures showing that we have at least held our own during the period.

Earnings, after ample provision for bad and doubtful debts, are quite adequate to provide our dividends at the rate of 10% per annum on paid-up capital. I should here remark that this rate is exactly 4% on Capital and Retained Accounts, these two constituting the amount of your investment. Changes in the position of assets and liabilities are not important. There has been a moderate gain of over two millions in total assets.

Reports issued by commercial and statistical agencies indicate some improvement in business. This improvement, unfortunately, is not yet entirely general, the agricultural industry in particular being still out of balance and suffering from relatively low prices.

Notwithstanding a small wheat crop in this country, estimated at 272 million bushels, and a reduction of 465 million bushels below the average of the five preceding years for the U.S. and Canada combined, the world is still producing more wheat than markets will absorb. Only a few years ago we derived much satisfaction from our steadily increasing wheat acreage, but we failed to fully appreciate the significance of increasing production in other countries, particularly importing countries. Perhaps we asked prices which made it economically necessary for these countries to artificially stimulate their home production. At any rate we have now more wheat than can readily be sold, with the result that prices continue low. We look for this situation to correct itself, but, short of wide-spread crop failures, the process may be slow. Improvement must largely depend upon improved economic conditions the world over, and increased populations. In our opinion, wheat farmers will best serve their own interests by diversifying their activities as far as they possibly can, rather than by clinging to wheat in the hope that prices prevailing in former years will quickly return.

FOREIGN TRADE:

A marked change has taken place in our external trade. The unfavorable balance which featured the three years prior to 1932 has been converted into a favorable balance for the 12 months ended November, 1933, of no less than 134 million dollars. In view of our large external debt, this comes nearer to a normal trade position for Canada, at least until such time as the outlook is sufficiently improved to warrant our absorbing fresh investments of capital from outside.

Tariffs, uncertainties of exchange, and other handicaps have continued to restrict total world trade, including that of Canada with the rest of the world. The World Economic Conference of 1933, though including some tentative schemes for wheat and silver, which may possibly be of significance to Canada, unfortunately did not bring any comprehensive plan for trade revival; in fact, the net result of that Conference appears to be discouragement as to the possibilities for any conference on world trade under present conditions. But the Imperial Economic Conference which was held at Ottawa in the previous year did have some results which are reflected in increased trade with Great Britain.

CENTRAL BANK:

The pending revision of The Canadian Bank Act is a new cause of anxiety to the banks and their shareholders, in view of certain suggestions

which are before the Government. The inquiry into banking and currency in Canada, conducted by a Royal Commission, was itself welcomed by the banks, who, in inquiries of this kind are seldom given a fair hearing. The report of the Commission gives the banks a certificate of character and a clean bill of health. The honesty of our motives and the efficiency of our administration are conceded in words which should be convincing to those who are honestly dissatisfied. No doubt we shall always have to contend with a section of the public, at most times small, who refuse to be convinced on any evidence.

In respect to the two definite recommendations of the Commission that a Central Bank be established and that a further study of rural credits be made, we have no criticism to make, at least on theoretical grounds. As a practical matter we doubt if a Central Bank can bring benefits equal to its cost. Its possibilities for good are certainly offset by its possibilities for disturbance and abuse.

While two of the five members of the Commission—these two being the ones with practical banking experience in Canada—dissented from the majority recommendations, nevertheless it is probable that a central banking authority in some form will be set up at the coming session of Parliament.

Our greatest concern is with some of the suggested provisions—notably the elimination of the note-issuing privilege now held by the banks. The banks have issued capital and have expanded their services to the public partly on the basis of this privilege, the withdrawal of which must of necessity reduce their profits to a serious extent.

The report of the Commission shows that the average net annual profit available for dividends, from 1923 to 1932 was equivalent to 6.36 per cent, while dividend payments averaged 5.93 per cent., on the average shareholders' investment. Obviously, these are very moderate rates of earnings and dividends, and the Commissioners do not in any way suggest that they are excessive. In fact, they do suggest that the loss of the note-issuing privilege might be compensated by new charges to customers.

Evidently, if the bank note issues are abolished, some compensation must be established. A bank has to compete for capital with other institutions and channels of investment, and its operations must bring an adequate return to shareholders; otherwise, the supply of funds for banking capital, which in the past has been increased in each period of expansion and prosperity, will dry up. Considering the business risk which attaches to any equity, and also the double liability in the case of bank stocks, any lesser return than is now being realised, would divert capital from banking.

Working under pressure for profits is dangerous in banking. The risks involved in the business of lending money, under the most careful management, are certain to increase, with the result that the whole structure is weakened through frozen loans and excessive losses. The banks, therefore, would be obliged either to impose new charges on customers' accounts, which would be unpopular to say the least and might further handicap the conduct of business generally, or else they would have to withdraw numerous branches, particularly those in outlying communities where the present slim margin of profit would be wiped out by the extra cost of having to use Central Bank notes for actual and reserve circulation purposes. We can only hope, therefore, that these and other points of lesser importance will be further examined at the coming session before a definite step is taken.

As to the broader aspects of central banking, we can be quite certain that many of its advocates are bound to be disappointed. Those who look for the Central Bank to create easy money and credit will surely find that no matter what institution issues notes, they do not grow on trees; they belong to someone, they represent a liability, and the borrower must pledge good security for them and pay interest on the loan.

THE BANK OF TORONTO

To those who hope that the Central Bank will exercise a control of credit and thereby influence our domestic price level and foreign exchange rates, we may point out that however easy this may appear when the aim is to enlarge credit and raise prices, the reverse process of contracting credit and lowering prices is likely to be difficult to achieve by any institution which is under political influence, and he is a trusting individual who believes that a Central Bank will not be largely controlled by the Government of the day, regardless of who may own the capital. In considering this question of Central Banking we are not altogether in the realm of theory. Central Banks have existed in many countries for many years. All have had similar objectives, but their success has nowhere been conspicuous. In fact, the breakdown of business and finance during recent years in many of these countries could scarcely have been worse. The Bank of England may be regarded as an exception, but it is an international as well as a domestic institution, operating in the centre of the financial world where there are vast supplies of short-term money. We have no corresponding situation in Canada, nor can we look for it within any time that need be considered now.

It is said that without a Central Bank we have no means of settling our balances with foreign countries, and particularly with London, except through New York. The fact is that where embargoes against the movement of gold exist there is no direct means of settling balances, with or without a Central Bank, except by borrowing in one form or another. In Australia, which has had a Government controlled bank for over 20 years, and whose banking system is intimately connected with London, greater difficulties have been experienced in effecting foreign settlements than has been the case in this country; there was, in fact, almost a complete stoppage; foreign exchange was obtainable only with difficulty and in small amounts. In this country, with no Central Bank, no difficulty whatever was experienced. If we had a Central Bank now it would operate through New York when convenient and profitable, in the same way that the chartered banks are doing. Arbitrage business in exchange is as old as banking.

At the risk of undue length I should like to say a word in regard to Bank and Government note issues. The true purpose of circulating note issues, either Bank or Government, is to provide a medium of exchange, a facility for the interchange of goods and services. There is no other sound reason for circulating notes. For these purposes the circulation of the banks is better than that of the Government because bank circulation, within the limits prescribed, represents commodities in process of manufacture and distribution. Although not legal tender and not backed by gold (except to the extent that the banks hold gold and Government legal tender, which is partially covered by gold) bank notes are not scraps of paper but actually represent the best kind of values. To illustrate: In our own case our circulation of approximately six millions is represented twice over by wheat alone, against which we have made advances, it being understood that bank notes are a first charge upon all assets. In point of safety and elasticity the system is ideal and fits the needs of the public to a \$5. bill. Government note issues, on the other hand, are covered at the present time by only 40% in gold, and it is suggested that this percentage might be reduced to 25%. Over and above gold cover, the notes rest purely upon Government credit. Government note issues are therefore less automatic, less elastic and less dependable. The abuse of note issues by Governments, usually through controlled Central Banks, is nothing new, even in our own time. France repudiated her issues to the extent of four-fifths, and Italy three-quarters. In many other countries values were heavily depreciated, and in some cases completely wiped out. The United States have had one experience and may have another. Our turn may also come but not through bank circulation.

THE BANK OF TORONTO

The Government can and does control the banks and their issues, but there is no one to control the Government.

PUBLIC DEBTS:

At former meetings of our shareholders we have referred to our excessive public debt, and its accompanying load of taxation which we have considered and still consider the main cause of most of the economic difficulties of this country. We may as well recognize that unless public spending is diminished rather than increased, we can have no reasonably quick recovery. Even now a serious problem is developing in public finances. The Western Provinces require Federal aid, and many Municipalities of the less prudently managed class are in default or near to it. This is a situation which has been growing more apparent from year to year, but until the shoe actually began to pinch, nothing of consequence was done about it, while indebtedness continued to roll up. Even under pressure of need in the past two years, such economies as have been effected are small in comparison with total expenditures. In fact, it seems likely that when figures of 1933 become available they will show our total of public debts higher than ever before, and our public expenditures just about at their peak. Something more bold and sweeping might be undertaken. The cost of Government, apart from fixed charges, could probably be cut in half with actual benefit to the country.

If we had a report from a competent Commission on the expense of Government and Government services in this country, accompanied by suggestions as to measures which might be taken to correct the situation both for the present and the future, our people would be shocked, but we would have a document of transcending interest and importance. I do not suggest for a moment that we are in worse position than many of our neighbours; the contrary I believe is the fact, but the affairs of other countries are their own to mend. It is our business to attend to our own.

There is much hope in the fact that private industry has largely eliminated losses. Employment is increasing, and profits, in some cases quite satisfactory profits, are reappearing. This does not mean that the handicaps of the past four years have largely disappeared, but rather that they have been offset by increased economy and efficiency. However difficult the process has been, business as a whole is now making ends meet and is only waiting for some relief from overburdening taxes to again expand.

No reference to economic conditions, however brief, can entirely ignore the situation in the United States and the extraordinary devices being employed in that country to stimulate business and increase employment. We could not follow them if we would, as we have no billions of Government funds with which to flood the country. We can only watch their experiment with the most lively interest, knowing that either success or failure will cause repercussions in this country. At the same time, we can derive much satisfaction from the improvement in our own business, which has been achieved by orthodox methods and unaccompanied by the danger of reaction which always follows large expansion of Government credit.

In addition to names with which you are familiar, we are offering for election to the Board the name of Mr. Aubrey Davis, Vice-President of the Davis Leather Company Limited, one of our oldest and most respected connections.

The Honorable E. J. Davis brought his business to this Bank a quarter century ago, since which time mutually satisfactory relations have continued. Mr. Davis senior, who at 82 years of age still heads his Company, now contributes one of his sons to our Board, and we look with pleasure to a long continuance of the pleasant and useful relationship which has existed with the Davis family for so many years.

THE BANK OF TORONTO

GENERAL MANAGER'S ADDRESS

MR. CHAIRMAN AND GENTLEMEN:

The 78th Balance Sheet covering the Bank's operations for the year ending November 30th, 1933, which we have pleasure in placing before you today, again reflects the unfavourable business conditions which have now prevailed for several years.

PROFITS:

Our profits at \$1,037,922. show a decline from the previous year of \$6,471. After inaking the customary deductions there remains the sum of \$118,372. which has been added to Profit and Loss Account, making the amount to be carried forward \$614,674.14. This balance would in normal times have permitted an addition being made to our Reserve Fund, but in view of prevailing conditions and uncertainty we have deemed it advisable to leave the amount at credit of Profit and Loss Account.

The figures under the various headings in the Balance Sheet are very much the same as last year and do not require much comment.

TOTAL ASSETS:

\$116,999,162. are up \$2,501,413. from a year ago. Of these, \$63,298,815. (or 62.52% of total liabilities to the public), consist of cash, or assets readily convertible into cash.

CURRENT LOANS AND DISCOUNTS:

\$48,432,227., practically no change from a year ago. Our Loans and Discounts have been subjected to a very careful analysis, and this figure in our opinion represents a safe valuation after writing off all bad and doubtful debts and making ample provision for all unsatisfactory accounts.

SECURITIES:

\$41,653,004., an increase of \$4,378,946. for the year. Lack of demand for commercial loans necessitates the investment of our funds in securities. 97% of these holdings consists of government and municipal bonds of short-date maturities and were shown in the statement at not more than market prices.

BANK PREMISES:

\$3,635,516., down \$92,193. Following our usual practice we have written off \$100,000. this year. The above valuation does not represent more than 50% of the cost of Bank premises.

NOTES IN CIRCULATION:

\$5,750,284., practically the same as a year ago.

If in the formation of the new Central Bank the recommendations of the Macmillan Commission are carried out, we shall in course of time lose the privilege of circulating our own notes, which we have enjoyed ever since the Bank was founded in 1855, and the Bank of Toronto notes which have been issued to meet the demands of the public during all these years, practically unchanged in their design, will disappear from circulation. Aside from the loss of the annual profit which we have been able to make from this privilege after paying the government tax on circulation and bearing the expense of engraving the notes and handling them over our counters, from the sentimental angle it will be a distinct loss to us if the notes we have taken so much pride in disappear, and I have no doubt many of our clients, as well as the general public, will miss the notes of Canadian Banks with which they have been familiar for many years.

DEPOSITS:

\$90,437,734. We are very well satisfied to report a small increase of \$2,428,394. over the total of a year ago.

THE BANK OF TORONTO

On May 1st last, owing to the increasing difficulty of employing our funds in commercial loans, and the necessity of investing our surplus money in government bonds at very low yields, the banks found it necessary to reduce the rate paid on savings bank accounts from 3% to 2½%. It was a matter of some regret to us that after so many years during which we paid a steady rate of 3% to our savings depositors, it was necessary to take this step. You will see from the decrease in our earnings that we received no benefit from this reduction. At the time the cut was made there was an urgent appeal from governments, municipalities and western agriculturists for some relief in the rates they were being charged against their borrowings, and the banks decided that as far as possible any benefit we might gain by cutting the rates of interest should be passed on to these classes of borrowers.

We hope we may not have to make further reductions, because we feel that we must not forget the depositor, who after all is the man who is supplying the sinews of war, so to speak. The solicitude is all for the borrower, and the thrifty, industrious, depositor is placed in the category of the forgotten man, whereas his careful intelligent management of his affairs helps build the reservoir of savings out of which in normal times the banks are enabled to render assistance to Canadian business enterprises.

BRANCHES:

There were 179 branches of the bank in operation at the end of our year, against 180 a year ago. We fear the loss of our note circulation privilege to the Central Bank will necessitate the closing of further branches which will be rendered unprofitable. We shall certainly put forth every effort to maintain our business at outlying points, but if we must close additional branches we shall probably be no worse off than our competitors whose branches are more numerous.

INSPECTIONS:

Every branch of the Bank has been thoroughly inspected during the year by our own inspection staff, and the larger offices have also had an audit of cash, securities and loans by our shareholders' auditors. The general position of the Bank has been reviewed during the year by the Inspector-General of Banks.

MACMILLAN COMMISSION:

One of the most interesting and valuable contributions to Canadian banking in 1933 was the report of the Macmillan Commission upon the Canadian banking system, following sittings in every province of Canada, which were in the nature of open discussions in which the public were given the opportunity of placing before the Commission any complaints or comments they might have to make as to the various functions performed by the banks. The Commission, under the chairmanship of Lord Macmillan, who was chairman of a Commission which made a similar report on the banking system of Great Britain, included also Sir Charles Addis, a director of the Bank of England and man of long and varied international banking experience, Sir Thomas White, formerly Canadian Minister of Finance, Mr. Beaudry Leman, General Manager of the Bank Canadienne Nationale, and Hon. J. E. Brownlee, Premier of the province of Alberta, all men of outstanding ability, who with great patience and courtesy heard the evidence placed before them and the briefs submitted by the banks, made a review of the evidence and finally wrote a report which is one of the most outstanding documents that has ever been placed before the government.

It is not surprising that in view of the rapid survey which had to be made and the limited time at their disposal, the members of the Commission were not unanimous in their conclusions and recommendations, but this does not alter in any way the great value of the report, and I am sure the

THE BANK OF TORONTO

members of the Commission deserve the warmest thanks and appreciation of the banks for the fine service they have rendered. The Prime Minister also deserves our appreciation for his wise judgment in selecting such excellent men to study the banking situation in this country.

That the banks came through this investigation with credit to themselves is evident from the remarks of Sir Charles Addis, who in the closing session with the banks, made the following statement:

"You have been subjected to a searching questionnaire and you have given us a straight reply. You have refuted many ill-informed and, I may add, in some cases malicious charges which have been levelled at the banks. You have done so with a dignity, with a moderation and with a frank sincerity which compel conviction. I believe that your document will stand as an historical defence of the Canadian banking system. If this Commission should do nothing more than to elicit this response it would not, in my judgment, altogether have failed in the task allotted to it."

CENTRAL BANK:

The President in his remarks has very fully expressed the views held by this Bank upon the proposal to establish a Central Bank in Canada. I have only this to add:

The decision as to the basis on which a Central Bank shall be set up in Canada will finally be made by the representatives of the people in parliament, and when the decision is made I am sure that the Canadian banks will co-operate as fully as possible towards making the new institution a success. My only concern is that in its formation it shall add to the high credit standing now enjoyed by the Canadian banking system, and that nothing shall be done to weaken in any way the earning power and the ability of the chartered banks to render the best possible service through their branch offices to the public of this country.

In dealing with our existing banking system we are placing our hands on one of the most precious assets of Canada, which has developed with our country over a long period of years. There is no doubt that with such defects as it may have, the Canadian banking system is one of the strongest supports to the high credit standing which Canada has always enjoyed in the financial centres of the world; and while I realize that there might be some Imperial and international advantages to be gained by the establishment of a Central Bank in Canada, it should be possible to achieve these advantages without impairing the strength and solidity of our banks.

Undoubtedly if the note issuing privilege of the chartered banks is taken away from them and the sole right of note issue in this country turned over to a Central Bank, without full compensating advantages to the banks, it will seriously weaken the earning power and development of the chartered banks, and also affect the high credit standing they have enjoyed, particularly during the past four years, through which we have passed with a record which I venture to say is not surpassed by any other system of banking in the world, including systems with central banking control.

The present bank note circulation is a controlled currency, absolutely secured against the finest assets in the country, and I very much question the advisability of wiping this out and in its place giving a central bank control of the issue of currency. I believe we will be on safer ground if the banks are permitted to retain the power of note issue—at least to the extent of their paid-up capital.

GENERAL CONDITIONS:

As the President has said, we have passed through another difficult and anxious year, but I am glad to say that as a result of gradual improvement in conditions during recent months, we are today under less strain than we were a year ago. There is a more hopeful feeling throughout the

THE BANK OF TORONTO

country and in spite of the many obstacles that confront us I believe we shall continue to make progress.

Slowly but surely through the long period of depression a great number of our business houses and industrial companies have adjusted their overhead costs and systems of management to meet the serious decline in trade volume, and are today in a position to make good profits with any improvement in business.

Those engaged in agriculture—the great basic industry of this country—who have made heroic sacrifices to pay their way in the production of primary products, and who in recent years have had to face world market prices that leave little or no profit for their labour, deserve our sympathy and greatest consideration in their distress. This country cannot again travel the roadway of prosperity until our farmers receive a fair return for their products, and we can only hope that this condition may not be long delayed.

In spite of international difficulties our foreign trade, though down in volume, is favourable.

Our railway problem is still acutely with us, but we can look at the future of these enterprises more hopefully at this time than for some years past in view of the measures which have recently been taken by both systems looking to constructive economies in their operations.

War debts still overhang the world. Our neighbours to the south are engaged with colossal problems towards re-adjustment and in our own country problems of railways, government and taxation, yet unsolved, do not indicate an early return to sound conditions, but if we will tackle the job there is much we can do to improve our own domestic situation.

The heavy expenditures of governments and municipalities for railways, roads and many other public works prior to 1930, and the subsequent expenditures for relief and provincial aid, all of which have necessitated serious increases in our bonded indebtedness, have resulted in heavier taxation which the red light of defaults, steadily mounting arrears of taxes and unbalanced budgets plainly indicates that the present cost of government in this country must receive our immediate and serious consideration. If the expenses of government cannot be substantially cut down in any other way, it would seem that we may have to reduce the representation in both federal and provincial parliaments, if indeed we may not have to reduce the expenses of provincial government by consolidation of such provinces as cannot now bear the cost of their existing governments; and this I believe could be done with a great saving in expense without in any way impairing the efficiency of government of such areas as may be affected.

Turning to the other side of the picture, it is only fair to say that while our problems are difficult and need our serious consideration at this time, Canada remains one of the most favoured nations of the world, and while we may have been over-ambitious and somewhat extravagant in our expenditures in anticipation of our future, we are still blessed with an abundance of natural resources, which in these days of mineral production are steadily contributing to our relief and will undoubtedly continue to do so for many years. If we are but wise in the administration of our affairs by cutting out all unnecessary expenses for a period until we are in better adjustment and can move forward on a sound basis, I have no doubt we shall again see an immense increase in our industrial development, be able to absorb a larger number of new citizens, preferably from Great Britain, and eventually we shall build a greater prosperity than we have ever seen.

STAFF:

I again pay my sincere tribute to the 1,100 men and women who comprise our staff, for their continued co-operation and devotion to the interests of the Bank, especially the superintendents in the large centres of our operations and the chief executives who surround me at Head Office, from whom I have received the most loyal and inspiring support through a year which has necessitated constant consideration of many difficult problems.

THE BANK OF TORONTO

Moved by Mr. JOHN R. LAMB, seconded by Col. WILLIAM I. GEAR, and

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

Carried

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

Resolved—That Mr. D. MCK. MCCLELLAND, F.C.A., of Price, Waterhouse & Company, and Mr. ARTHUR B. SHEPHERD, C.A., of Peat, Marwick, Mitchell & Company be appointed Auditors of this Bank until the next Annual General Meeting and that their remuneration be fixed at a sum not to exceed \$10,000.

Carried

Moved by SIR HENRY L. DRAYTON, seconded by Mr. SIGMUND SAMUEL, and

Resolved—That the thanks of the Stockholders be tendered to the President, Vice-President and Directors for their careful attention to the interests of the Bank and to the General Manager, Assistant General Manager and other officers for their services during the past year.

Carried

Moved by Mr. C. S. MACDONALD, seconded by Mr. MARK BREDIN, and

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

Carried

REPORT OF THE SCRUTINEERS

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

| | |
|-----------------------------|-----------------------------|
| WILLIAM G. GOODERHAM | JOHN I. MCFARLAND |
| JOHN R. LAMB | HON. JAMES D. CHAPLIN, M.P. |
| WILLIAM STONE | THOS. F. HOW |
| COL. ALBERT E. GOODERHAM | FREDERICK K. MORROW |
| BRIG.-GEN. FRANK S. MEIGHEN | HARVEY B. HENWOOD |
| COL. WILLIAM I. GEAR | J. DOUGLAS WOODS |
| PAUL J. MYLER | GEORGE KIDD |
| ARCHIBALD H. CAMPBELL | AUBREY DAVIS |

DUNCAN COULSON }
W. B. MACLEAN } *Scrutineers*

TORONTO, 17th January, 1934.

At a subsequent meeting of the new Board, Mr. W. G. GOODERHAM was elected President, and Mr. JOHN R. LAMB, Vice-President.

By order of the Board,

HARVEY B. HENWOOD,
General Manager

THE BANK OF TORONTO

...BRANCHES...

ONTARIO

| | | |
|---------------------------------------|-------------------|------------|
| Toronto, King St. W., cor. Bay St. | R. H. Cardy, | Manager. |
| (Main Office) | R. J. Burtis, | Asst. Mgr. |
| " Bloor & Bay | M. G. Davey, | Manager. |
| " Bloor & Brunswick Ave. | H. R. Cluff, | " |
| " Bloor & Jane Sts. | R. C. Cameron, | " |
| " Church & Wellington Sts. | A. S. Towers, | " |
| " College and Dovercourt | S. E. Scarlett, | " |
| " Danforth & Dewhurst | A. M. Ross, | " |
| " Dundas & Keele | T. W. Harper, | " |
| " Dundas St., cor. Ossington Ave. | G. M. Kennedy, | " |
| " Dundas St., cor. Roncesvalles Ave. | H. R. Warren, | " |
| " Eglinton & Avenue Rd. | A. B. Clarke, | " |
| " Elm St., cor. Elizabeth St. | M. D. Johnston, | " |
| " King St. W., cor. Bathurst St. | S. G. Leonard, | " |
| " Mt. Pleasant Rd. cor. Belzize Drive | W. B. Young | " |
| " Queen & Kenilworth Ave. | J. H. Fenton, | " |
| " Queen E. & Logan Ave. | L. S. Barr, | " |
| " Queen St. E., cor. Parliament St. | G. B. McKay, | " |
| " Queen St. W., cor. Spadina Ave. | Jas. Stewart, | " |
| " St. Clair Ave. and Christie St. | J. H. Brown, | " |
| " Yonge St., No. 205, opp. Albert St. | L. R. Atkinson, | " |
| " Yonge St. & Bedford Park Ave. | K. S. Herald, | " |
| " Yonge St. & Belzize Drive | R. P. Wright, | " |
| " Yonge & St. Clair | R. C. Waram, | " |
| Allandale | H. N. Modeland, | " |
| Alliston | G. E. Armstrong, | " |
| Barrie | H. A. Sims, | " |
| Bethany | F. Stevenson, | " |
| Bradford | C. P. Roper, | " |
| Brantford | D. McLennan, | " |
| Brockville | B. F. A. Lewis, | " |
| Burford | R. J. Sim, | " |
| Cardinal | S. J. W. Clarke, | " |
| Clarksburg | R. H. F. McBride, | " |
| Cobourg | A. C. Hodgetts, | " |
| Colborne | V. R. Tufford, | " |
| Coldwater | R. P. Bellamy, | " |
| Collingwood | O. G. Bernhardt, | " |
| Copper Cliff | R. Gray, | " |
| Creemore | H. E. Burns, | " |
| Dorchester | R. H. Hutchings, | " |
| Dunnville | F. C. Millard, | " |
| Elmvale | W. N. Bradley, | " |
| Feversham | H. C. Francis, | " |
| Fort William | C. C. Eddy, | " |
| Freelton | A. H. Johnston, | " |
| Galt | P. J. Wright, | " |
| Gananoque | G. Hay, | " |
| Hamilton, 37 James St. S. (Main) | J. Stephen, | " |

THE BANK OF TORONTO

| | | |
|-------------------------------|--------------------|----------|
| Hamilton Market Branch | C. J. Davey, | Manager. |
| Hastings | G. D. Gowans, | " |
| Havelock | L. A. Gould, | " |
| Keene | D. D. Brown, | " |
| Kerwood | E. J. Mitchell, | " |
| Kingston | A. C. Edward, | " |
| Kitchener | J. C. Wolfrain, | " |
| " North Ward Branch | J. R. Clark, | " |
| Lansdowne | W. F. Hyde, | " |
| London (Main Office) | C. R. Latimer, | " |
| " City Hall Branch | T. F. Walker, | " |
| " East End Branch | T. C. Margrett, | " |
| " Market Branch | H. R. Nettleton, | " |
| " North End Branch | E. J. Fitzgerald, | " |
| " West End Branch | H. R. Nettleton, | " |
| Lyndhurst | W. H. Hall, | " |
| MacTier | M. Weller, | " |
| Markdale | A. E. Hunt, | " |
| Meaford | F. A. Maples, | " |
| Millbrook | H. A. Kerr, | " |
| Milton | H. F. McNichol, | " |
| Mount Dennis | G. A. Langstaff, | " |
| Newmarket | H. E. Lambert, | " |
| Oakville | W. A. McEvoy, | " |
| Oil Springs | H. B. Newton, | " |
| Omeme | T. B. Chester, | " |
| Orangeville | G. T. Sullivan, | " |
| Ottawa, 106 Sparks St. (Main) | Geo. C. Gardner, | " |
| " Ottawa South | J. H. Smith, | " |
| " Union Station Branch | | " |
| " West End, 1256 Wellington | W. M. Weylie, | " |
| Owen Sound | W. E. Sharpe, | " |
| Paris | J. S. McMillan, | " |
| Parry Sound | F. N. Hurst, | " |
| Penetanguishene | J. A. Eplett, | " |
| Peterboro | C. P. Borland, | " |
| Petrolia | E. G. Britton, | " |
| Port Hope | G. L. McHattie, | " |
| Preston | J. L. Thompson, | " |
| St. Catharines | E. J. H. Vanston, | " |
| St. Mary's | A. C. Lord, | " |
| Sarnia | J. W. Simpson, | " |
| Shelburne | H. A. Livingstone, | " |
| South Porcupine | W. S. McDowell, | " |
| Stayner | S. R. Way, | " |
| Stratford | J. H. Mills, | " |
| Sudbury | W. E. Van Norman, | " |
| " North End | S. G. Page, | " |

THE BANK OF TORONTO

| | |
|-------------|----------------------------|
| Thornbury | M. S. Hargreaves, Manager. |
| Trenton | B. F. Joyce, |
| Walkerville | L. N. Hicks, |
| Wallaceburg | R. L. Daniel, |
| Waterloo | S. J. Adams, |
| Welland | J. E. Curry, |
| Windsor | W. H. Hiscock, |
| Wyoming | C. H. Smith, |

QUEBEC

| | | |
|----------------------------------|------------------|------------|
| Montreal, Main Office | J. L. Carson, | Manager. |
| (St. James St., cor. McGill) | L. G. Gillett, | Asst. Mgr. |
| Atwater Ave., cor. St. Antoine | C. J. Cracknell, | Manager. |
| Board of Trade | I. J. Hutton, | " |
| Maisonnette | E. F. McNicholl, | " |
| Park & Bernard Ave. | J. Heroux, | " |
| Peel St., No. 1232 | B. M. Currie, | " |
| St. Catherine St., cor. Guy | A. H. Walsh, | " |
| St. Catherine St. E., No. 1490 | P. E. Leveille, | " |
| St. Hubert St., No. 6920 | J. E. Long, | " |
| St. Lawrence Blvd. & Ontario St. | H. L. Lennon, | " |
| Van Horne Ave., No. 1549 | B. C. Case, | " |
| Westmount, Sherbrooke & Oaremont | A. W. Roper, | " |
| Gaspé | W. W. Annett, | " |
| St. Lambert | A. A. Belyea, | " |

MANITOBA

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

ALBERTA

| | | |
|------------|--------------------|----------|
| Barrhead | S. D. Markham, | Manager. |
| Calgary | S. B. Chamberlain, | " |
| Clandonald | G. F. Stonehouse, | " |
| Compeer | J. B. Simpson, | " |
| Coronation | H. J. Carmichael, | " |
| Derwent | C. S. Harrylock, | " |
| Edmonton | W. A. Stewart, | " |
| Marwayne | J. C. Thom, | " |

THE BANK OF TORONTO

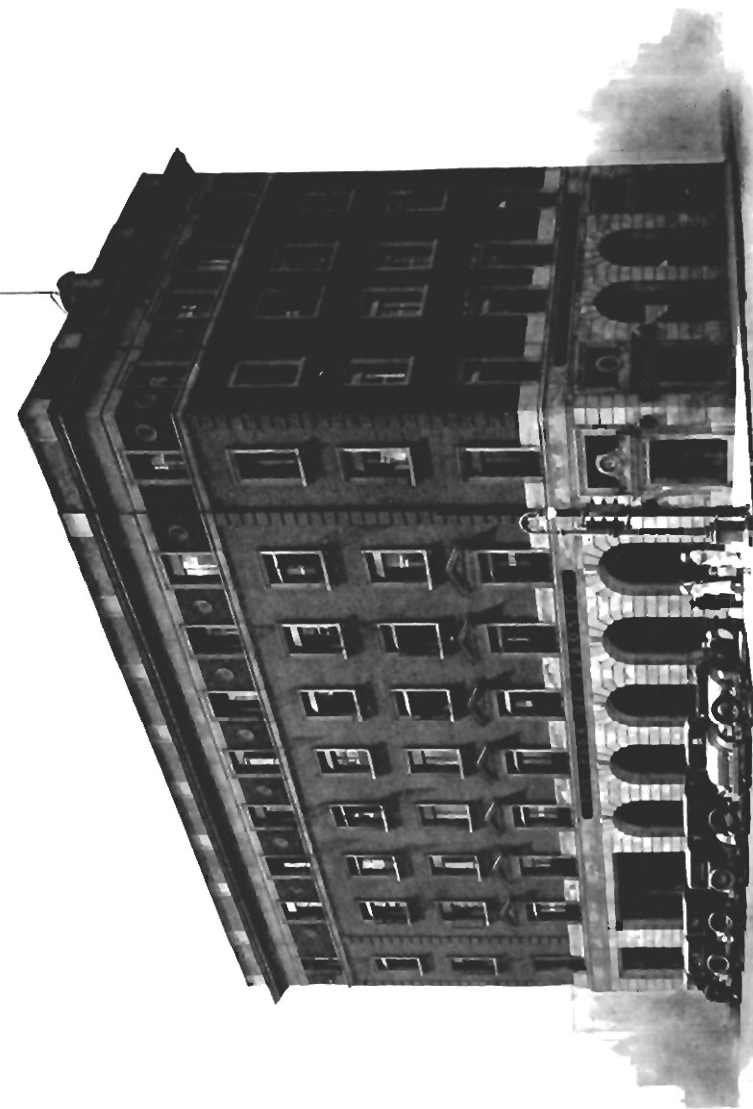
| | | |
|----------------------|----------------|----------|
| Oyen | V. E. French, | Manager. |
| Stettler | L. Gemmill, | " |
| Sunnynook | I. G. Weylie, | " |
| Veteran | H. L. Staples, | " |
| Youngstown | T. R. Menzies, | " |

SASKATCHEWAN

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

BRITISH COLUMBIA

| | | |
|---|--------------------------------|----------|
| New Westminster | C. D. McMillan, | Manager. |
| Pioneer | J. E. Boyle, | " |
| Vancouver, (Main Office) | E. W. Lamprey, | " |
| Hastings & Seymour Sts | I. J. Hammond, Act. Asst. Mgr. | |
| " Burrard & Robson Sts | A. Logan, | Manager. |
| " 723 Georgia St. | H. A. Daykin, | " |
| " Kerrisdale Branch | J. McKendrick, | " |
| " 10th Ave. & Alma Rd | W. Dickie, | " |
| " 12th Ave. & Granville | S. H. Abrams, | " |
| Victoria (Main Office) Yates & Broad Sts. | C. W. Pangman, | " |
| " Douglas St. | A. B. Christopher, | " |



THE BANK OF TORONTO. CITY HALL BRANCH. LONDON

THE BANK OF TORONTO

AGENTS BRITISH AND FOREIGN

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

UNITED STATES

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



THE BANK OF TORONTO, DOUGLAS ST., VICTORIA

THE BANK OF TORONTO

AGENTS—UNITED STATES—Continued

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

The following comparative figures taken from the Annual Statements show the growth of the Bank since its Incorporation

| Year | Capital and Reserves. | Deposits. | Loans and Investments. | Assets. |
|------|-----------------------|------------|------------------------|--------------|
| 1857 | \$ 439,148 | \$ 263,100 | \$ 1,103,078 | \$ 1,268,413 |
| 1863 | 918,911 | 668,427 | 1,554,921 | 2,077,067 |
| 1873 | 2,330,726 | 2,256,673 | 4,966,085 | 5,989,162 |
| 1883 | 3,074,891 | 4,294,622 | 8,035,618 | 8,970,732 |
| 1893 | 3,823,981 | 8,758,967 | 12,034,416 | 14,417,160 |
| 1903 | 6,212,053 | 15,474,069 | 21,019,373 | 25,364,410 |
| 1913 | 11,307,272 | 43,306,595 | 46,510,483 | 60,925,164 |
| 1923 | 12,170,911 | 74,875,034 | 75,872,235 | 100,081,466 |
| 1933 | 15,614,674 | 90,437,734 | 94,169,662 | 116,999,162 |

| | | | |
|-------------------------|---|---|------------------------|
| Paid-up Capital | - | - | \$6,000,000.00 |
| Rest Account | - | - | 9,000,000.00 |
| Profit and Loss Account | | | 614,674.14 |
| | | | <u>\$15,614,674.14</u> |

