

THE BANK OF TORONTO

REPORT OF THE FIFTY-SIXTH ANNUAL GENERAL MEETING.

The Fifty-sixth Annual Meeting of the Stockholders of this Bank was held on 10th January at the Head Office in Toronto.

The President, Duncan Coulson, occupied the chair. Thomas F. How, the General Manager, acted as Secretary, and Messrs. E. M. Chadwick and George H. Hargrave were appointed Scrutineers. The following Report was then read by the Secretary:

The Directors of the Bank of Toronto beg to present their report for the year ending 30th November, 1911, accompanied by the Statement showing the condition of the Bank on that date and the result of the operations for the year.

PROFIT AND LOSS ACCOUNT.

The balance at credit of Profit and Loss on 20th November, 1910	\$194,777.99
Net Profit for the year, after making full provision for all bad and doubtful debts, and deducting expenses, interest on deposits, and rebate on current discounts, amounted to the sum of	\$17,884.22
Premium received on New Stock	69,950.00
	\$1,480,791.21
This sum has been appropriated as follows—	
Divided as 11 per cent.	\$458,721.22
Transferred to Officers' Pension Fund	13,000.00
Written off Bank Premises	190,989.00
Transferred to Reserve Account from Profit and Loss Account	253,000.00
Transferred to Reserve Account from Premium on New Stock	69,950.00
Carried forward to next year	\$2,019.99
	\$1,480,791.21

REST ACCOUNT.

Balance November 20th, 1910	\$4,750,000.00
Transferred from Profit and Loss Account	250,000.00
Premium on New Stock	69,950.00
	\$5,069,950.00
Total per Balance Sheet	\$5,069,950.00
Average amount of paid-up Capital for the fiscal year	\$4,142,921.00

There has been a continuance of the prosperity of the country. Important industries have been enlarged and established, labor of all kinds, skilled and unskilled, has found steady employment, new territory has been opened up and made productive, immigration has added largely to our population, and the wealth of the country has steadily increased.

The statement of the Bank's affairs herein submitted to you shows that the Bank has shared in this growth and has benefited by these conditions. Seventeen new branches have been opened during the year, making the total number of offices 102.

The new offices are at: Ontario—Dundas and Keele Streets, Toronto; Lyndhurst, Milton, Ottawa, Pennington. Quebec—512 St. Lawrence Boulevard, Montreal; Altwater Avenue and St. Antoine Street, Montreal. British Columbia—Aldergrove, Merritt, Hastings and Carrall Streets, Vancouver. Manitoba—Transcona. Saskatchewan—Colonsay, Pelly, Fecerville, Steneb. Alberta—Coronation, Mirror.

The increasing business of the country has made necessary an increase in the amount of bank notes available for circulation. In order to enable this Bank to increase its issues and meet the requirements of its enlarged business your Directors decided to offer for subscription by the Shareholders \$1,000,000 new capital to be issued in the proportion of one share of new stock to four shares of old stock, at the rate of \$200 per share. \$608,050 of this new stock has been paid up, and we were enabled to increase our circulation to the extent of these payments, and our power to use emergency circulation was also thereby extended.

The sum of \$250,000 has been taken from Profit and Loss Account and added to the Rest Account, and the further sum of \$608,050 received as premium on new stock has been transferred to that fund, which is now \$1,000,000 in excess of the Paid-up Capital.

The Directors have, with deep regret, to record the loss the Bank has sustained through the death of their late colleague, Robert Meighen. He took a very deep interest in the welfare of the Bank, and his wide experience and sound judgment were of great value.

We have pleasure in being able to report that the vacancy in the Board was filled by the election of Lieut.-Col. Frank S. Meighen.

The Head Office and Branches of the Bank have been carefully inspected. In addition to the inspection at Head Office by the inspecting officers, a committee of Directors have, as usual, verified the Cash, Securities, and Loans at the Head Office, also the amounts shown as due to and from other Banks. They have examined the returns received from all the Branches of the Bank and have verified the figures contained in the balance sheet presented to you.

All of which is respectfully submitted.

D. COULSON,
President.

GENERAL STATEMENT 30th November, 1911.

LIABILITIES.	
Notes in Circulation	\$4,862,432.00
Deposits bearing interest	\$34,949,652.76
Deposits not bearing interest	6,477,011.20
Balance due to other Banks	41,126,063.96
Quarterly Dividend, payable 1st December, 1911	487,710.77
Dividends unpaid	\$125,077.27
	200.75
	125,338.02
Capital paid up	\$4,602,144.75
Rest	\$4,608,050.00
Interest Accrued on Deposit Receipts and Rates on Notes Discounted	5,908,050.00
Balance of Profit and Loss Account carried forward	197,400.00
	52,019.99
	10,465,519.99
	\$57,067,064.74
ASSETS.	
Gold and Silver Coin on hand	\$ 809,557.71
Dominion Notes on hand	4,759,802.00
Notes of hand and cheques on other Banks	\$5,568,859.71
Balances due from other Banks	2,618,625.24
Deposits with Dominion Government for security of Note Circulation	1,787,493.82
Government, Municipal, Railway, and other Debentures and Stocks	198,800.00
Call and Short Loans on Stocks and Bonds	1,004,007.40
	3,711,278.46
Loans and Bills Discounted	\$15,509,064.63
Loans to other Banks secured	\$40,084,758.92
Overdue Debts (estimated loss provided for)	170,796.71
	87,811.73
Bank Premises	40,293,337.36
	1,284,662.73
	\$57,067,064.75
THOS. F. HOW, General Manager.	

After the reading of the Report the President then addressed the meeting as follows:

Gentlemen,—It is not my intention to add very much to the Report which has just been read, but there are a few matters to which I would like to direct your attention.

The favorable conditions which have characterized business in Canada throughout the past year are sufficiently well known to you to render unnecessary and lengthy analysis of the many factors which have conduced to the country's prosperity.

These factors may be largely summarized under the following headings: Rapid Growth in Population, Extension in Railroad Building, Expenditure on Public Works (both municipal and Government), Increase in Manufacturing, Further Development of Mines, and Enlargement of the Area of Land Brought Under Cultivation.

The country is still so largely dependent upon good harvests and fair prices for its agricultural products that these continue to be the most important and fundamental points in the situation. In respect to these the results of the year have not been as profitable as had at one time been looked for.

In the Province of Ontario the crops have barely been up to the average, but the good prices being obtained are to some extent compensating for the lessened quantity. In this Province farming has become so diversified that unfavorable results in one direction are counterbalanced by those more favorable in other directions and greater stability is thus given to this industry. With the growth of more improved methods of farming there is every prospect that good returns will continue to be received by our agriculturists.

In the three Western Provinces the latest authoritative estimates indicate that the harvest may be worth from \$175,000,000 to \$200,000,000. Out of this large sum of money the net profit to the farmer, after deducting all expenses and disbursements, will not be so great, as had been hoped for, but will doubtless be sufficient to continue the confidence that is placed in the future of that portion of the country.

A very important element in the prosperity of the country has been the large addition to its population of a desirable class of settlers. The immigration for the year is reported at about 350,000 persons, many of whom brought with them very considerable amounts of money and property, and have thereby made a very substantial addition to the wealth of the coun-

try, with the prospect of their continuing to increase the same by their labors and industry.

We must not forget that the very large expenditures at present being made in connection with railroad construction are responsible for the circulation of large amounts of money and the employment of labor on a large scale. At present there are in operation in Canada 25,500 miles of railway and 7,000 miles under construction. The earnings of these railways last year aggregated about \$200,000,000, whilst the number of men employed by them was increased by about 10,000.

It is perhaps difficult to estimate the amount of foreign capital that has been brought into the country to assist in this railroad building and in the development of our industrial and municipal enterprises. According to a tabulated list, which has been published, the bonds for Canadian undertakings that have been issued in the London market during the last year aggregate about \$200,000,000. In addition to this sum, moneys have been obtained by private loans and investments, the total of which is not easy to determine.

Nor must we lose sight of the fact that, although the expenditure of these large sums of money is tending to promote prosperity at the present time, and is, we believe, being expended in channels that will ultimately prove profitable, yet the country must provide a large amount yearly for interest charges on the indebtedness which is steadily accumulating in consequence of these borrowings.

So long as the population of the Dominion continues to increase and its lands, forests, fisheries and mines are productive, so long will the country be able to bear the burden of this indebtedness, and at the same time build up a happy and prosperous community.

The necessity for extension of railroads and the construction of other public works will continue though it is not certain that it will necessarily proceed at the same rapid rate that has characterized recent years.

Foreign money markets are not always prepared to supply capital on a large scale for the promotion of new enterprises, and we must not, therefore, assume that money can always be borrowed to the same extent as heretofore, nor must we harbor the delusion that the expenditure of borrowed money and the apparent prosperity created thereby always constitute a stable foundation for solid growth.

The enterprises into which this borrowed capital is put must become productive in order that the heavy burden of the interest charges may be carried, and since a time may be expected when rapid expansion will become less vigorous and expenditures of borrowed money less frequent, we should not now assume that present favorable conditions will always continue.

At the moment it is perhaps safe to say that the outlook is favorable, but the necessity for care and conservatism ought never to be lost sight of.

REAL ESTATE.

We should perhaps call attention to the extent to which speculation in real estate has developed.

This is not confined to any one part of the country, but the prices of properties in and adjacent to Eastern and Western cities and towns are being advanced in very many cases far beyond what is prudent.

There was a basis for a reasonable advance, as many of these cities and towns will have a steady growth, but the upward movement, in our estimate, is being overdone, and we cannot let the opportunity pass without uttering a word of caution and calling the attention of all who are interested to the danger that exists.

BANK PREMISES.

On looking at the statement which has just been read you will notice that the amount of the account is \$1,204,662.75, an increase of \$364,662.75. With the continued growth of the Bank this account must necessarily increase.

During the past year seventeen new branches have been added to our list and we have been obliged to provide premises and equipment for them. In addition to the expenditure incurred in connection with these new offices, we have found it necessary to erect buildings at older branches where our business has become firmly established, and where it is desirable that we should have permanent quarters. We have also in some exceptional cases found it necessary to purchase properties in order to provide residences for our Managers at places where suitable accommodation could not otherwise be obtained.

Expenditures incurred for safes, office furnishings and fixtures at all of the offices are at once charged up as expenses and do not appear in our balance sheet; consequently we hold the office furnishings and safes and everything of that nature at our 102 offices without any value being taken to the statement. We may also state that the amount now standing in our Bank Premises account represents about 60 per cent. of the actual cost of such premises and their furnishings.

BANK CAPITAL AND CIRCULATION.

In our Report last year we informed you that it would probably be necessary to enlarge our capital in order to aid in providing circulation for our increasing business. In accordance therewith your Directors decided in August last to offer new capital to the extent of \$1,000,000 for subscription by the existing shareholders. The amount of this new stock which had been paid up, up to 30th November last, was \$608,050, and the time for subscriptions does not expire until 15th February.

REST ACCOUNT.

As you are aware, this new stock was issued at a premium of 400 per cent. and the money derived from this premium, \$608,050, has been added to the Rest Account of the Bank. In addition to this sum, we have transferred \$250,000 from our Profit and Loss Account, and the amount of the Rest has been thereby made up to \$5,068,050, which is \$1,000,000 in excess of the amount of Paid-up Capital.

It is desirable to emphasize again what we consider to be the object in building up the Rest Account. It is intended primarily to strengthen the position of the Bank and to insure that the interests, both of depositors and shareholders, shall be protected and preserved.

The larger the amount of combined Capital and Rest the greater is the protection afforded to depositors, as both of these funds would require to be swept away before the depositors' interests could suffer.

Also the larger the Rest Account the greater is the protection afforded to Shareholders against any possible impairment of their subscriptions to the Capital Stock. Such an impairment could only occur through losses sufficiently large to wipe out the Rest Account.

Since any losses that might occur would naturally be in connection with the loans and investments made by the Bank, it is proper to consider the proportion which the Rest bears to the loans made by the Bank, or to the liabilities which are due to the public, rather than to its proportion to the Capital Stock.

As the loans of the Bank increase the risks naturally increase in proportion, so that an amount at the credit of Rest Account which would be considered by conservative bankers quite sufficient for liabilities amounting to \$20,000,000 would not be considered sufficient for liabilities amounting to \$40,000,000.

The following table will show that the Banks in Canada have grown very rapidly during the past ten years:

Total of All Banks in Canada.			
	Capital	Percentage of Rest to public Rest	Percentage of Liabilities to public Rest
Dec. 31, 1901	\$ 67,591,311	437,354,708	55 p.c. \$ 449,091,022
Nov. 30, 1911	197,472,558	96,699,232	89 p.c. 1,173,438,296
	\$ 129,881,243	\$ 129,881,243	85 per cent.

While the percentage of Rest to "public" has increased from 55 per cent. created from \$22 to \$129,881,243, the percentage of the Rest bears to the Liabilities has decreased from 55 to 85 per cent.

We submit the figures of the Bank of Toronto for the same period—

Bank of Toronto.			
	Capital	Percentage of Rest to public Rest	Percentage of Liabilities to public Rest
Dec. 31, 1901	\$2,421,770	\$2,421,770	100 p.c. \$16,742,524
Dec. 31, 1911	4,608,050	5,068,050	120 p.c. 46,802,144

From the figures presented in the November Returns to the Government by eight other leading Banks we find that the percentage that their Rest bears to the Liabilities runs from 67 to 103.5.

These percentages are taken not should loans made by the Banks, but on yet, owing to the varied character of the items which are embraced in the investments, it is safe to take the average of the amount for which the Banks are indebted to the public and to show the percentage of margin held in the Rest to the liabilities.

Although the figures which we have presented to you indicate that our percentage compares favorably with that of other leading institutions, we think we are acting in the best interests of the Shareholders of the Bank in having our Rest Account grow with our increasing liabilities.

BANK INSPECTION.

You will also observe that in the Report we refer to the inspection made at the Head Office by a Committee of the Directors led by the Second Vice-President. This inspection has been thoroughly made, and all items entering into the balance sheet have been verified by comparison with the Branch Returns and by personal examination and verification of Cash Securities and Loans at the Head Office.

The inspecting officers' reports of various branches which have been presented during the year have been gone over, and thus the whole of the affairs of the Bank have, through this Committee, come under review by the Board.

It has been suggested that all Banks should undergo an outside audit or inspection we have no objection to such an external inspection if made by competent authority, and should the Government decide to incorporate provisions to that effect in the Bank Act we will be ready to agree to whatever inspection the country, through its representatives, desires.

At the same time we believe that in the interests of the Bank and of you, the Shareholders, no inspection that may be devised can be so thorough and valuable as that which the Bank now undergoes at the hands of our inspecting officers and the Executive and Committee of the Directors.

Personally we are not in favor of an inspection by the Canadian Bankers' Association, which would involve a responsibility being placed upon the banks constituting that body.

From an article recently published on Bank Act Revision the following extract is taken:

"Assumption by the Bankers' Association of the duty of inspection or examination would place upon the associated Banks a certain amount of responsibility for bank failures. For, if the association periodically overhauls the affairs of the various Banks and certifies that all of them are solvent or worthy to continue in business, the public will look to the association for any losses suffered when a Bank closes its doors. This responsibility of the associated Banks may not be expressed especially in the banking law, but it will nevertheless be present, and that being so, the

Association is likely to require extensive powers before it undertakes any duty of this nature."

Our opinion is that the responsibility therein referred to should not be assumed, and that no action which may be taken by the Association should permit any such responsibility to be imposed, nor even to be inferred.

The Directors of this Bank are quite prepared to assume responsibility for their own acts and will always endeavor to present to you a conservative statement of the affairs of the bank, but we do not think that this Bank, as a member of the Canadian Bankers' Association, should have imposed upon it any responsibility that may attach to the condition of any other Bank which is, or may become, a member of the Association, and whose affairs may ultimately prove to be in an unsatisfactory state.

We think that the Association should, if required by the Government, stand ready to aid them in exercising supervision and should give their best services towards making such supervision or inspection effective, but we consider it would be wholly against the interests of the Stockholders of this Bank to have a responsibility placed upon the bank or a member of the Canadian Bankers' Association, that, in our opinion, no Bank should assume. We have gone quite far enough in that direction in connection with responsibilities which attach to us as contributors to the "Bank Circulation Redemption Fund."

Permit me to add a personal word as to the great loss we have sustained through the death of Mr. Meighen. He was very shrewd and far-seeing, of the highest integrity, very loyal to the Bank and ready always with his wise counsel and large influence to do everything in his power to promote its interests. He was not able to attend the weekly meetings of the Board on many occasions, yet he kept closely in touch with its affairs, and our large interests in Montreal were benefited by his counsel and assistance.

We deem ourselves fortunate in having his son, Col. Meighen, join us on the Directorate, and look forward to his filling worthily the place his father occupied amongst us as a member of the Board.

I shall have pleasure in answering any questions that any shareholders may desire to ask, and to give any further explanation that may be required.

I have now pleasure in moving, seconded by the Vice-President, that the report now presented be received and adopted.

The motion was carried, as was also a motion expressing the thanks of the Stockholders to the President, Vice-President and Directors for their attention to the affairs of the Bank during the past year.

The following were elected Directors for the ensuing year: William Henry Beatty, William George Gooderham, Herbert Reford, Charles Smith, Lyman, William Stone, John Macdonald, Albert Edward Gooderham, Nicholas Ball, Duncan Coulson, Joseph Henderson, Frank Stephen Meighen.

The new Board met immediately after the Annual Meeting and unanimously re-elected Mr. Duncan Coulson President; Mr. W. G. Gooderham, Vice-President, and Mr. Joseph Henderson, Second Vice-President.

1,020 Days of the Law's Delay.

New York World.

In Sing Sing prison, yesterday, a man was executed for the murder of his daughter in this city 1,020 days before.

This was no mysterious case requiring elaborate detective work. There was no quibble upon circumstantial evidence. Margano was seen to shoot his daughter and caught trying to kill himself. It was not a celebrated case, prolonged by highly paid attorneys; the culprit was poor. Delay in trial and conviction was excessive but not unusual; he was first sentenced to die 277 days after his crime was committed.

The remaining 743 days, more than two full years, were consumed, to the scandal of the courts, the hurt of the community and the encouragement of crime, in such unjustifiable obstruction of justice in a clear case as the court of appeals on November 29th last so severely scored in its final decision that Albert Wolter must die.

When will New York become sufficiently civilized to discourage murder by the prompt trial and punishment of murderers? Why 1,020 days?

Stage Lonely For Girls.

Stage life is lonely, according to Blanche Ring, the happy star of "The Wall Street Girl." It cannot be said that Miss Ring, with her joyous personality and charming smile ever looks lonely, and yet she advises stage-struck maidens to keep out of the profession.

"Not only are you lonely," says Miss Ring, "but you can't eat what you want to eat; you can't sleep when you want to sleep; you can't have a home (and children) when you please; you can't have your own way about anything when your feminine heart wants its own way about everything; you can't live the traditional gay life and long continue to live; in fact, you can't do anything but live for your art."

"Few girls work up from the chorus to be stars or leading women; but even if a girl does finally reach the universal goal of being a star, it's a lonely life. I'm not excepting chorus. Some people have the impression that the chorus girl lives a life of revel. That is grossly erroneous and unjust. More than likely any chorus girl you may pick out is sending money home to mothers and young sisters."—Milwaukee Journal.

"Ring Off, Please!"

She was a very naughty telephone girl, and she ought to have known better than to put the subscriber on the wrong number. Nevertheless, she did it.

Naturally he thought he was connected with the local theatre for which he had asked, and, being in a hurry, he promptly asked for a box for two of the night.

"But we don't have boxes for two," said a startled voice at the other end of the line.

"Isn't that the Princess Theatre?" he demanded crossly.

"Way, no," was the answer. "This is Graves, the undertaker."

Parker's Friend.

Sir Gilbert Parker is fond of telling how he once met in Ontario a breezy type of Canadian, who always added the tag, "Give my love to the girls," to everything he said.

Ten years after first encountering this lively individual, Sir Gilbert was again staying in Ontario, and while going down the hotel corridor heard the well-known phrase echoing once more in his ears—"Well, give my love to the girls."

Recognizing the man, he went over to him and spoke, in the Canadian did not remember the former meeting until his distinguished interlocutor recalled the circumstances.

"Well, well," said the Canadian, "and what are you doing now?"

"Writing books," was the answer. "Is that so?" And I've struck "rich," came the elated reply. "Got a little provision store round the corner. Can I do anything for you?"

The man who keeps a diary never writes much in the line of self-reverence. There is a class of men that hang how seem to be specially built for prodigals.

Argument is often commenced with both parties fully determined not to be convinced.

W. E. Saxsmith, a real estate dealer, of Watertown, N.Y., died on Thursday, aged fifty-four years. His relatives reside at Selby, in Lennox county.

HOW PRICES HAVE INCREASED

On the Produce Market in the Past Ten Years.

As people look back at their accounts for the past ten years it is surprising to notice the difference in the prices of food. The prices now are almost double what they were at that time. The housewives are continually complaining of the extra cost in keeping up the home to what it used to be. Bitter seems to be the thing that has gone highest in price. Creamery butter that sold ten years ago for from 21c. to 25c. a pound, is now selling for from 30c. to 34c. Farmers' butter in prints at that time sold from 18c. to 20c. a pound, while now the farmers are asking 27c. to 28c. a pound for it. Another thing that is quite noticeable at this time of the season is the price of turkeys. The price on the market ten years ago was 12c. a pound, which was considered higher than usual, as a week previous turkeys sold for 10c. Now the price is almost double.

The grain merchants are getting more for their produce now than they were a decade ago. Hungarian flour that sold then for \$2.10 and \$2.20 a hundred, now brings \$2.90.

Potatoes and eggs are also away up in price. Potatoes that sold in those days for from 80c. to \$1. are now bringing \$1.40 a bag. Eggs that were bringing from 20c. to 30c. a dozen are now selling from 40c. to 50c. a dozen.

The Art of Resigning.

I have an Irishman driving one of my teams who has worked for me for ten years. He is just as faithful as the day is long. Every now and then he has "blue" days. He thinks he is not appreciated.

Last week Pat sent me his resignation. He gave no reason. I wrote back accepting his resignation without comment.

The next morning while I was chivving my special brand of plug on the shipping platform, up comes Pat. See he, "Mike Kenney, what do you mean by accepting my resignation? Isn't my work satisfactory?"

"See I, 'Pat, didn't I understand your note to offer your resignation?"

"You know well I didn't mean to resign."

"But, Pat," sez I, "you have resigned, you are out, and now there is nothing to discuss."

"See he, 'Then I withdraw my resignation.'"

"All right," sez I, "Pat, you're back on the payroll. But, Pat, when I hauled ore in the early days in Leadville it wasn't the best thing to make a 'gun play' unless you meant business."

"You're right," sez Pat. "I shed my shootin' iron's right now."—Timet.

Some Matrimonial Tangle.

Some years ago a man and woman were married at Acheson, Kan. They saved up \$5,000. The woman died. The man married a second wife, and she died. Then he married a third wife and she outlived him. He left her \$10,000. She married a second husband and started him up in business with the \$10,000 which her first husband bequeathed her. She died recently and her husband is worth \$50,000. There is now a big kin row on because the man with \$50,000 won't care for the grave of his wife's first husband, and also the two graves of the two wives the first man lost.—Kansas City Journal.

We print letters, heads, bill heads, envelopes, statements, dodgers, posters, in fact everything from a visiting card to a large volume. The British Whig office.

Dunroon council made these appointments: A. H. Whiting and H. Howard, auditors; E. Clement, assessor; W. Woodcock, high school trustee; and A. G. Bergart to board of health.

Tungsten lamps will lessen your lighting bill seventy per cent. Drop in at the H. W. Newman Electric Co.'s store and see how they work.

Salvador BEER

THE FAMOUS NATIONAL DRINK
There's a story behind "Salvador" beer
—Canada's most famous brew—that carries us back to the year 1651