

## THE BANK OF TORONTO

The sixty-third annual report of the Bank of Toronto, published on another page, was most satisfactory, even compared with the best in its history. Enlightening reference to the existing Canadian economic situation was made at the annual meeting of shareholders in addresses delivered by Mr. W. G. Gooderham, the President, and Mr. Thos. F. How, General Manager. Mr. Gooderham made reference to the astonishing revelation of the willingness and power of the people of Canada to furnish the Government with the sums necessary to carry the war to a triumphant conclusion. He said:

"It is inevitable that we should pass through a period of readjustment in turning from the war period to one of peace and reconstruction. How long this period of readjustment will take depends upon many factors that cannot at present be estimated. The Government has wisely taken steps to aid in a movement to secure a share in the work of rebuilding the devastated portions of Belgium and France. In their shipbuilding programme and other plans for work of a national character that will be productive, they are endeavouring to make available the country's resources and give employment to all who are disposed to work.

"We have to face a heavy burden of debt, with its interest charges. It is fortunate that so much of this indebtedness is due to our own people, but even so the burden still exists, and can only be met by direct or indirect taxation. When our population has increased, when our great potential resources have been actively developed, and exports have grown naturally to a volume that will yield a large surplus profit to the country's revenue, the burden will be comfortably borne, but until that time shall have come we must be prepared to adapt ourselves to changed conditions. These past years have brought with them inflation in prices of all the necessities of life, of the materials that are required in every process of manufacture, of the cost of labour employed in all departments of our industrial life, and a readjustment must be made. We may hope that it will come gradually, and be accompanied with the minimum of disturbance, but in view of the possibilities we feel that we must be moderate in our expectations. We have, therefore, taken these factors into consideration when valuing the bank's assets and preparing our statement."

The General Manager, in his remarks, said:

"It has been the experience heretofore that subscriptions to Government issues have been replaced, in fact, more than replaced, by new deposits, but we have now to face new conditions. With the cessation of munitions contracts, and the more or less rapid withdrawal of Governments as purchasers of food supplies, the money value of our foreign trade may be expected to decline, while the requirements of our Government will continue for some time to be very large. These conditions may have the effect of retarding the rebuilding of deposits. However, we are happy and thankful that the war is over, and we are as well prepared as it is possible to be for the readjustment of business to a peace basis.

"Banking figures have increased very rapidly during the past few years. This expansion may continue for a time, but, as we have already remarked in connection with the gain in our deposits, we are prepared to see a moderate decline during the next two or three years. There must be a readjustment downward of prices for commodities and services,

and, it is to be hoped, of production upwards, until we reach a stable level on which all classes of business can proceed in security and comfort. That level will be found only in time, and by natural processes, but violent changes can be avoided, and, we believe, will be avoided through the enterprise and forethought of our Government and their co-operation with the business and financial interests of the country."

Profits for the year ending November 30th, 1918, are reported as \$844,402, equal to 16.88% of the paid-up capital and an increase of \$41,482 over the previous year. The amount brought forward from 1917 was \$555,306, making a total of \$1,399,708 available for distribution. The usual dividend was paid, and after payment of war tax on circulation and appropriations to officers' pension fund, patriotic and other war funds and to bank premises, a balance of \$625,624 was carried forward to next year.

Bank deposits of \$79,039,274 show a growth of \$15,131,977, equal to 24%, the largest increase ever recorded in any one year.

Cash and gold reserves amounting to \$13,922,182 indicates an increase of \$1,339,830 over last year. The immediately available assets amount to \$47,018,174, equal to 53% of the bank's liabilities to the public. This total includes short-date advances to the Dominion Government and to the Imperial Government amounting in all to \$19,880,000.

Commercial loans of \$49,168,819 show an increase of \$6,855,043, indicating continued substantial support of the business interests of Canada. The total assets amount to \$100,207,997, a substantial increase for the year of \$15,914,079 and the largest in the history of the bank.

The following are the leading items of the bank's general statement, in comparison with 1917:—

	1918	1917
Circulation.....	\$ 7,270,615	\$ 7,606,005
Deposits (not bearing int.)..	29,504,792	17,034,916
Deposits (bearing interest)..	49,534,482	46,872,381
Total Liabilities to public..	86,309,889	71,513,302
Specie and Legals.....	11,422,182	10,082,352
Deposit in Central Gold Reserve.....	2,500,000	2,500,000
Securities held.....	22,483,581	17,265,153
Call and Short Loans in Canada.....	4,305,834	2,158,412
Total of quick assets.....	47,018,174	37,938,501
Current Loans and Discounts.....	48,951,428	42,196,693
Total Assets.....	100,207,997	84,293,919

At Montreal the Bank of Toronto occupies well-equipped offices at the corner of St. James and McGill Streets, in its own imposing structure, under the management of Mr. H. B. Henwood.

## PALATINE INSURANCE COMPANY.

### Establish Branch Office for Maritime Provinces.

The Palatine Insurance Company has recently established a Branch Office for the Maritime Provinces at St. John, N.B. Both the Canada Accident, and the Palatine Agencies in the Maritime Provinces have been reporting to this Branch since 1st Jan., 1919. Mr. F. C. Mortimer well known in the Lower Provinces is the capable and energetic Branch Manager.