

those of the loans, mislead the public and cause them to look upon the banks as enemies to the public welfare. To all such, I say, the figures of our balance sheet are sufficient answer. There has been a reduction of \$7,935,233, or over 37 per cent., in the total of securities held, occurring principally in those classed as railway and other bonds, debentures and stocks. In view of the extent to which we have been, and are still likely to be, called upon to assist in the various measures taken to finance the war, it seemed wise to take every reasonable opportunity of realizing upon our holdings of securities. Total assets show an increase of \$5,057,441, which may be considered very satisfactory growth under the conditions which have prevailed.

Turnover of \$15,000,000,000.

Our records show that on the average we handle every dollar of our assets over 60 times a year, so that the figures at which they stand indicate a turnover of 15 billions of dollars during the year. In return for the immense labor and heavy responsibility involved in handling this huge sum, we have earned slightly more than one-and-a-half cents on every hundred dollars.

Before passing on to deal with other matters, I should like to refer briefly to our policy in the matter of dividends. At the annual meeting in 1914 the hope was expressed that we should be able to maintain payments upon the basis which has been adopted during the last two years. At this time there was, of course, no European war in prospect, and while it will be our earnest effort to maintain the earning power of the Bank upon a level which will render possible a continuation of the present rate of distribution, it is well to remember that the end of the war is not yet in sight, and that no one can predict what changes it may bring when it does come. Our policy, therefore, during present conditions will be based upon weightier considerations than the mere earning of dividends, and in this I am sure that we shall have your hearty support.

Our shareholders number 194 more than a year ago, a moderate increase, but one which reflects a movement in the direction of distributing the stock over a wider area, which is in the interests of both the Bank and its stock-owners.

As stated last year, the business of our City of Mexico branch has been ably managed, and on the whole it has been profitable. We have made no losses, and our loans have either been liquidated or fully provided for. The capital necessary for our operations has been supplied entirely by our local deposits. Full provision has also been made for depreciation in the value of such Mexican securities as remain on our books. Our standing in Mexico is particularly high, and the foundations have been laid for a large and prosperous business when that country returns to settled conditions. In the meantime we are holding the ground with a considerably reduced, although sufficient staff.

In the opening of new branches there has been little done during the year, due principally to the inactivity of general business, especially during the earlier months. We have continued the policy of closing branches which did not prove profitable after a fair trial, with the net result that our branches now number 374 in all.

Success of War Loan.

As indicated in our remarks on the figures of the balance sheet, we have joined with the other banks in subscribing for our proportion of the \$25,000,000 of the Canadian 5 per cent. War Loan, taken by the banks in order to ensure the success of the issue. The exact amount of our subscription was \$3,426,000, and in this connection I am sure that the success of our able Finance Minister, Sir Thomas White, in obtaining through this domestic loan the sum of \$100,000,000, or twice the sum asked for, must be a source of pride to every Canadian. The loan marks a notable turning-point in the economic history of Canada.

In addition this Bank has participated in the various British war loans and other measures adopted to finance the war, and has subscribed \$250,000 to the French 5 per cent. War Loan just floated. We also placed at the disposal of our Italian Allies the facilities of this Bank and its branches for the purpose of accepting any subscriptions which Italian residents in Canada might desire to make to the 5 per cent. War Loan of their native country. Nor do these various contributions constitute the whole of our share of the financial burden of the war. Of the special taxation imposed by the Dominion Government as a result of the war, our share has so far amounted to over \$160,000, apart altogether from addi-

tional real estate and other taxes imposed for the same purpose, the amount of which is not readily arrived at.

The Bank's Taxation.

There is an impression abroad which appears to exist even among many who should be better informed, that the banks do not bear their just share of taxation. During the year we paid in taxes, Dominion, Provincial and Municipal, over 27 per cent. of our net profits, or to make the statement in more concrete form, inclusive of the special war taxes, we paid no less than six hundred and fifty thousand dollars in taxes. These figures surely show that this Bank bears at least its fair share of taxation; probably there are not many other businesses in which the proportion of taxes to net income is so high.

Officers on Military Duty.

The members of the staff number 2,828, made up as follows:—

Officers	2,187
Stenographers	407
Messengers	234
	2,828

in addition to which we have 369 janitors, making a total of 3,197 persons permanently employed by the Bank. The number of officers who had taken up military duty at December 31st was 748, representing 27 per cent. of our staff, 30 per cent. of our male staff, and over 34 per cent. of those of military age, that is, from 18 to 45 years of age. We have seen the actual figures in connection with only a few of the other banks and corporations, but we have yet to learn of anything which approaches the sacrifice which we have been called upon to make either in extent or in the proportion of the figures. We have made many sacrifices in order to allow officers to take up military duty without delay, and have placed no restrictions in the way of their doing so, although this policy has resulted in our losing the services of those officers whose special training made it difficult for us to replace them. In this connection it is interesting to note that representations have been made by the Clearing House banks in London, England, to the effect that certain classes of trained officers should not be called upon for military service, being regarded as indispensable for the carrying on of the work in the banks.

Twenty-five of our officers have already laid down their lives on the battlefield and a further 50 to 60 have appeared in the casualty lists. When the war is over it is our intention to erect a suitable tablet or some other form of permanent memorial to these brave and loyal young men. We have already communicated with the families of those who have laid down their lives, and it only remains to express in a general way our regret at their loss and our appreciation of the fact that the members of the staff of this Bank are made of such stuff that they can be counted upon to do their duty no matter in what form that duty may be presented to them. In this, of course, we include those other members of the staff whose lives and health have fortunately been spared, but who have nevertheless put themselves to the test. We should like, too, to pay tribute to those officers of the Bank whose every instinct calls on them to enlist, but who through the calls of family or business duty honestly feel that their place is still at home. Theirs is in many ways the harder part and their reward can only be in their own consciousness that "They also serve who only stand and wait."

We have recently taken the forward step of issuing a Monthly Commercial Letter dealing with conditions of trade and commerce at home and abroad, and pointing out when possible the bearing of current events on the business outlook. The first number was issued last month, and as it is prepared by competent authorities we commend it to the careful perusal of those into whose hands it may come. We shall be glad to send it on application to any one whose name is not now on our mailing list.

We also desire to draw attention to the very copious and authentic portrayal of the conditions which have prevailed in the various parts of Canada, Great Britain and in the foreign countries where this Bank does business, which is given in the Review of Business Conditions for 1915, of which copies have been distributed to you. The various parts of this Review will be found worthy of careful study.

Optimistic on Future.

With regard to the future, our view on the whole cannot but be optimistic. Thanks to the ability of our public men