In moving the adoption of the Report of the Directors, the President M. W. G. Gooderham, said:

I am sure the Report and Financial Statement which the Assistant General Manager has just read has afforded the Shareholders the same satisfaction and pleasure which your Directors have in being able to present so gratifying an exhibit of the Corporatiton's affairs.

After paying the usual quarterly dividends at the rate of ten per cent. per annum, a quarter of a million dollars have again been added to the Reserve Fund, which amounts to $5,750,000, in addition to which there are unappropriated profits amounting to $150,493.

A comparison of the General Statement with that of a year ago will disclose evidence of progress made during the year in every department. Not only have gratifying increases taken place in the amount of our deposits and of our debentures payable in Canada, but as I expressed the hope a year ago, the money obtained in Great Britain on the security of our Sterling Debentures does not this year show any diminution.

While we are desirous of maintaining the amount of our capital borrowed in Britain at not less than its present level, the adverse exchange rates render it impossible to bring money to Canada, and, so long as this condition continues, no considerable increase in our Sterling Debentures may be looked for. In the meantime, therefore, it is necessary to look to Canada for the funds with which to supply the demand for loans. Our Shareholders can materially further the interests of the Corporation in this direction by their influence, as well as by making it the depository of their savings.

The amount of high-class negotiable securities actually owned by the Corporation is considerably greater than at the end of 1918, due to further investments in both British and Canadian War and Victory Loans and to increased holdings of stock in The Canada Permanent Trust Company. The latter Company's paid-up stock is now one million dollars, and during 1919 its net profits were in excess of seven per cent. on the average capital actually paid up. It was considered advisable to transfer one hundred thousand dollars from the Profit and Loss Account of our Trust Company to establish the beginning of a Reserve Fund for it.

Notwithstanding the larger investments in Bonds aand similar securities the Corporation's mortgages on real estate, which are always its chief and most desirable form of securitres, amount to the large sum of $26,211,306.42. The total Assets have increased from $31,461,387.24 to upwards of thirty-three million dollars.

Some time ago the Directors decided that it would be advisable to have a Branch Office for the Province of Nova Scotia in Halifax, instead of, as hitherto, transacting all the business arising in the Maritime Provinces in Saint John. Our office building in Halifax was completed last month and the new Branch was opened on the first business day of this year.

I believe a brief review of the progress made by the Corporation since 1905 will be of interest to the Shareholders.

At the close of the year 1905 the Reserve Fund and unappropriated profits totalled $2,244,708.50, while during that and the two years following, the Shareholders received dividends at the rate of six per cent. per annum. Beginning in 1908 the dividends were gradually increased, and for the past seven years have been at the rate of ten per cent.

At the close of 1919 our Reserve Fund amounts to $5,750,000, in addition to unappropriated profits of $150,493, making a combined surplus of $5,900,493. The average annual increase during the fourteen years was $261,127. While not attempting to prophesy, I think it may reasonably be expected that at the end of the present year we shall attain the goal toward which we have long been aiming, a Reserve Fund equal to our paid up Capital. When that objective has been reached the Directors may not consider it necessaray to appropriate so large a portion of the annual profits for further additions to that fund.

I have confined my remarks entirely to the business and affairs of the Corporation of which we are Shareholders, and in which I have taken a deep personal interest from the day I became associated with it. For sixty-five years the Canada Permanent has occupied a prominent and honorable position among our leading and most responsible financial institutions. From my close association with and personal knowledge of its affairs I have no hesitation in reiterating that its position to-day is even more firmly established than it has ever been.

The death during the year of Mr. W. D. Matthews took from us one who has filled a large place not only in the affairs of this Corporation, but in many large institutions of great importance to our country. Mr. Matthews had been associated with the Canada Permanent as a Director for twenty-five years, and as a Vice-President since 1905. His death is deeply regretted by his colleagues on the Board and by the Shareholders, among whom he was widely known. The vacancy thus created has been fillled by the appointment of Mr. George W. Allan, K.C., M.P., of Winnipeg, who is well known to many of you and a man of wide experience, especially in the Western Provinces.