INCREASE IN PROFIT AND LOSS BALANCES.

The figures in the second table speak for themselves. It is worth while, however, to direct attention to the satisfactory manner in which the profit and loss balances have been increased in late years. Seven years ago the banks were satisfied to carry forward a little over $2,250,000 in the form of profit and loss balance. The troubled times of 1907 induced them to increase the carry forward by about $2,000,000. Then in the tight money period of 1911, 1912, 1913, they effected a further increase of $2,000,000. It is probable that these balances will be maintained at a high level, during the next few years at any rate.

DOMINION TRUST COMPANY.

One of the financial institutions which have come to the front most strongly during recent years is the Dominion Trust Company. Started at Vancouver less than ten years ago, this Company now has a chain of offices and agencies right across the Dominion and also in London (England), and Antwerp, and its business has attained to important proportions under the energetic direction of Mr. W. R. Arnold, managing director. Last year, as appears from the interesting speeches made this week at the annual meeting in Vancouver, the management was faced with the problem of whether to continue an aggressive policy or, more or less, to rest on their oars in view of the monetary outlook. The decision was arrived at that the continuance of an aggressive policy was advisable in the interests of the future of the Company and the results now shown justify the wisdom of that decision. The trusts of various kinds under administration were more than doubled during 1913, growing from $6,217,983 at December 31, 1912 to $13,480,222 at December 31, 1913. The number of individuals making wills deposited with the Company for safe-keeping in which the Company was appointed executor, trustee, etc., was more than three times as many as in 1912. Further, both the insurance business and also the amount of funds loaned on behalf of clients showed a very large increase in comparison with 1912. These increases in various lines of business were naturally offset in some degree by decreases in other lines owing to the financial stringency, foresight of these decreases being indeed the reason why an aggressive campaign along the lines mentioned was made. The fact that gross profits were $621,000 last year, or only $5,000 less than in 1912 indicates the success of the campaign undertaken and makes very satisfactory evidence of high earning power even in times of severe financial stringency.

However, the continuance of an aggressive business-getting policy has not prevented the Company from being highly conservative in other directions. Its holdings of municipal debentures have been written down by $55,470 to bring their book value well within the market value; and the increased expenditure consequent upon the aggressive business campaign undertaken was all written off to expense account, none being charged to good-will or development account. The appearance of the revenue account is thereby considerably affected, but the policy adopted has the merit of being exceptionally sound and in the best interests of the Company in the long run. Net revenue was $223,527. The eight per cent. dividend absorbed $164,304, leaving the largely increased balance of $74,413 to be carried forward on profit and loss account. The balance sheet shows a paid-up capital of $2,167,570, with reserve of $800,000. Liabilities to the public are $2,332,000, including deposits and uninvested trust funds, $1,292,744, clients, $255,771, mortgage on company's office, $225,000, sundry creditors, $54,958, and guaranteed first mortgage investment certificates, $503,887. These certificates are offset on the assets side by securities to the same amount. The investments of the Company comprise mortgages and secured loans and accrued interest, $1,748,993—these mortgages are for an average period not exceeding 3½ years; municipal and other bonds and debentures and accrued interest, $1,005,823; shares in other companies at cost and accrued dividends, $683,250. Cash on hand and in banks is $177,346, total assets amounting to $5,416,456.

The Dominion Trust Company's Montreal office is in charge of Mr. A. S. Birchall, under whose efficient management, the local business continues to develop on progressive lines From the outset the Dominion Trust Company has been managed with great energy and resourcesfulness, and while in a short life it has attained to an established position, no doubt, the future will see developments largely increasing the Company's resources, importance and prestige.

FEDERAL LIFE ASSURANCE COMPANY.

With every department showing satisfactory advances, the Federal Life Assurance Company of Hamilton, Ontario, joins itself to the growing ranks of those Canadian life companies who found 1913 a very satisfactory period for their operations. As in last year's report, one of the notable features of the new statement is the decrease in expenses. The percentage of general expenses to premium income showed a decrease of over 2.2 per cent., the actual amount of the general expenditure of the company being actually less than in either 1912 or 1911, despite a large increase in business in force and in new business written. As an evidence of increasing efficiency this is admirable, and an excellent tribute to the work of Mr. A. N. Mitchell, the general manager, and his staff. The new insurances issued and insurances revived during 1913 totalled $5,352,767, a figure which shows the substantial advance of more than $500,000 over 1912. This increase in new business was accompanied by a marked advance in the total assurances at risk, these going up to $27,578,183. Cash income from premiums and interest also showed a solid advance, the income going up to $1,245,140, an increase of practically $100,000 on 1912. The total payments to policyholders during last year were $410,100. As a result of the year's business, the assets are increased by $513,327, and totalled as at December 31 last, $5,400,944. After increasing the policyholders' reserves to $4,847,066, payment of profits and dividends and the writing off of $51,516 for depreciation of securities during 1913 there is a surplus over liabilities of $485,105, while had the company taken advantage of the deduction from reserves allowed by the Dominion Insurance Act, the surplus would have amounted to $581,027.

At the recent annual meeting, Mr. Hugh Guthrie, K.C., M.P., of Guelph, was elected a policyholders' director in succession to the late Mr. F. F. Dalley, of Hamilton. The election will meet with the general approval of the policyholders.