

eral 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 additional 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
	<hr/>
	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 Dec. 31 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 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 anyone 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 to cope with an unprecedented situation, and the determination of our people to effect personal and public economies, we have been able to bring about a most amazing adjustment from the prosperous enjoyment of an abounding flow of borrowed capital to a condition of severe trade contraction. Our harvests have been bountiful, our cultivated acreage has been increased and our factories have been entrusted with large contracts for army equipment, munitions and foodstuffs. While this terrible war must bring us much anguish and sorrow, it is clear that in proportion to her population no country will benefit economically to a greater degree than Canada.

THE LATE GENERAL MANAGER.

I cannot close these remarks without referring to my predecessor, Mr. Laird. Since his untimely death we have received numberless testimonies, not only to the high esteem in which his business talents were held, but also to that strong note of personal affection which his human qualities evoked in all those who knew him. Fully charged though his mind was with other matters appertaining to the interests of the Bank, the subject of the staff was always uppermost in his thoughts, and he was ever the first to evidence gratification in their success, sympathy in their misfortunes and leniency towards their shortcomings. In him the Bank has lost a staunch and fearless leader and the staff, particularly, a great and good friend.

The President then said:

PRESIDENT'S ADDRESS.

The Directors have referred in their report to the death of our late General Manager, and Mr. Aird has just spoken of him with the warmest appreciation. I knew him longer than most of his associates—indeed, we worked together over thirty-five years ago—and I have lost not merely a business friend but one for whom I cherished the deepest affection.

We have been told many times during the past year that we are passing through the most fateful moment in the history of the world, and that we shall emerge with a greater assurance of liberty and of all that accompanies a progress based upon our natural rights, or that we shall fall—a condition too black for contemplation. Within this vast march of history, affecting every civilization on the globe, lies the narrower march of our own affairs in Canada. We think so much about the war that Canada as an entity is generally forgotten in the larger scope of Imperial affairs, but it is our special business to-day to review the position of Canada, and to withdraw our attention from the war sufficiently to study the course of our own history, as only by understanding this shall we be able to act with courage and wisdom in the present emergency.

(Continued on following pages).