

tion, live-stock, and all agricultural products, with continued development of our unlimited possibilities in minerals, our large forest areas, our fisheries, our well-established manufactures, and the openings being presented for business in new markets, we look forward to the future with great confidence.

BANK'S AFFAIRS.

I beg now to direct your attention to some of the changes in the statement of this Bank as compared with a year ago.

Circulation.—The circulation of our own notes shows a decrease of about \$750,000. This is due largely to two causes—the lessened activity in general business and a much slower grain movement in the Western Provinces.

Deposits.—An increase is shown of \$1,600,000, largely made up of some special transactions that will not be permanent. The Savings Departments, however, show a steady and continued increase, and the wisdom of the change to the present site for our principal office in Toronto has been fully demonstrated.

Loans.—Current loans show a decrease of about \$800,000. The necessity of keeping a larger amount of assets in cash and liquid form accounts for this reduction.

Liquid Assets.—These show an increase of \$1,400,000. The reasons for this have been already referred to.

Securities.—The Report refers to a sum of \$100,000 having been set aside out of profits to meet the depreciation in the market value of stock, bonds, and debentures held by us. We consider it fortunate that we had, previous to the financial disturbances, steadily reduced our holdings of such securities, and the valuation of such as are now held by us is made on a very conservative basis.

These are the most important items in the statement to which your attention should be directed, but if further information is desired upon any point we will gladly welcome inquiries.

With regard to the future, it is not desirable to make predictions. So much depends upon the length of the war and upon the amount of capital that will, through its continuance, be wasted, that no definite forecast can be made. In any case, we are persuaded that until the end is in sight the greatest caution requires to be exercised. We cannot, in this country, escape from losses that will almost necessarily follow as a result of the war. We must look forward to this as a probability, and must also expect that our profits may not continue at the same rate as during the recent prosperous period. We can assure you, however, that very full provision has been made for everything that we have reason to believe is in any way bad or doubtful. We are, therefore, entering on the business of the new year prepared to give our best care and attention to your interests, and expect that, in spite of all uncertainties, we will have a successful year.

The Vice-President, Mr. W. G. Gooderham, then addressed the meeting as follows:—

Gentlemen:—I have only to add a very few words to those which you have heard from the President.

I need not say how much we all regret his absence today. Though unable to be at his office for some little time past, yet his interest in the welfare of the Bank is as great as it ever was, and, as you all know, his heart has always been wrapped up in this institution, which he has served now for fifty-eight years. We trust he may be restored to health, and that he may be able to give us the benefit of his great zeal and ripe experience, and this, I am sure, is the wish of every Stockholder.

LONDON COMMENT ON DOMINION TRUST AFFAIR

Mr. C. H. Thorpe, a well-known financial editor, of London, England, discussing the Dominion Trust scandal in the Observer, says that despite the war the failure should not be overlooked when, after the war, the world's surplus capital is exhausted, we may have a less happy hunting-ground in Europe for financial sharks of apparently good financial standing.

The report of the provisional liquidator calls strongly for strong action in the good name of the Dominion. He tells a tale of powers exceeded and duties left undone.

He speaks the ugly words misappropriation, and trust funds fatally intermingled with the company's ordinary moneys, of the investment of both trust and other moneys in highly speculative enterprises; an unsavory story.

There are one or two matters contained in the report that have not been touched upon by the President to which I wish briefly to refer.

I desire, on behalf of the Directors, to express our deep regret at the loss we have sustained through the death of our late Director, Mr. Nicholas Bawlf, of Winnipeg. It was, of course, not possible for him to attend our Board meetings with regularity, but it was our pleasure to have him with us at the Annual Meetings, and we miss his presence today. He was of great service to us in our Western connection; he had a very full knowledge of conditions in that part of the Dominion, and was always ready to promote the Bank's interests to the fullest extent. It is not our intention at the present meeting to elect a successor to him, but we propose to submit a by-law for the approval of the Shareholders reducing the number of Directors from 11 to 10.

Your Directors have subscribed, on behalf of the Bank, the following sums in connection with the objects hereafter named:—

To the National Patriotic Fund	\$25,000
To the Red Cross Fund	2,000
To the Belgian Relief Fund	1,500
To the Toronto General Hospital (payable in yearly instalments of \$2,000 each)	10,000

These objects have all commended themselves to the Directors as meriting the support of financial institutions such as ours, and we will therefore submit, for the approval of the Shareholders, resolutions approving of the payments to be made under these subscriptions.

I desire also, on behalf of the Directors, to express our appreciation of the services rendered by the General Manager and Officers of the Bank, and to the loyalty to its interests which exists throughout our whole Staff. It is they who come into contact with the customers of the Bank and who represent the Bank at our Branches, and we owe much to the General Manager and to our Staff.

I have now to move, seconded by Mr. Henderson, the Second Vice-President, that the report of the Directors be received and adopted, and that copies be printed for distribution amongst the Shareholders of the Bank.

The motion was adopted.

The meeting also carried a motion expressing the thanks of the Stockholders to the President, Vice-Presidents, and Directors for their efficient management during the twelve months.

The action of the Directors in subscribing \$25,000 to the National Patriotic Fund, \$1,500 to the Belgian Relief Fund, \$2,000 to the Red Cross Society, and \$10,000 to the Toronto General Hospital was confirmed.

A motion was adopted reducing the number of Directors from eleven to ten.

Mr. Geoffrey T. Clarkson, C.A., was appointed Auditor of the Bank.

The following Directors were elected for the ensuing year:—William George Gooderham, Charles Smith Hyman, William Stone, John Macdonald, Albert Edward Gooderham, Duncan Coulson, Joseph Henderson, Frank Stephen Meighen, Jacob Lewis Englehart, William Inkermann, Gear.

At a subsequent meeting of the new Board, Mr. Duncan Coulson was unanimously re-elected President, Mr. W. G. Gooderham, Vice-President, and Mr. Joseph Henderson Second Vice-President.

Messrs. J. C. Mackintosh and Company, Halifax, are offering \$600,000 first mortgage sinking fund thirty-year gold bonds of the Porto Rico Telephone Company. The proceeds of the issue are to be used to retire \$375,000 7 per cent. underlying bonds of the constituent companies, which are callable, to pay the current liabilities of the company, to finance extensive improvements and modernization of the South Porto Rico lines, and to furnish additional working capital to the company. The mortgage provides a cumulative sinking fund of 1 per cent. from 1918 to 1922, 1½ per cent. from 1922 to 1927, and 2 per cent. from 1927 to the maturity of all bonds outstanding. This sinking fund should retire the entire issue before maturity. The price, with 10 per cent. bonus of 4 per cent. stock, is 100 per cent. and interest, and without stock bonus, 96 per cent. and interest.