

amounting to \$1,800,000, including the usual dividend at the rate of 10 per cent. per annum, and extra bonus dividends of 2 per cent. for the year; and we have reason to hope that we shall maintain this rate until the Rest equals the Capital, and thereafter make the permanent basis 12 per cent. with whatever advantage may come with extra good fortune.

In our last report the urgent necessity for providing an extension of the Head Office and Toronto Branch premises was referred to; and arrangements have since had to be made for the temporary accommodation of some departments of the Bank outside the present building. We are now pleased to say that we have purchased the two properties adjoining, and will proceed to consider plans, although we do not expect to make much progress towards altering or erecting a building for two or three years. We have acquired property in Windsor, Ont., where a suitable office building will be erected during the coming year, and are also engaged in planning the erection of an adequate building in the City of Quebec. In both these places it was absolutely necessary to provide for our growing business. Bank premises account now stands at \$4,281,481.60, and in this connection we would direct your attention to the item of \$979,915.61 in the statement under Real Estate. This includes Bank Premises acquired by the amalgamation with the Eastern Townships Bank, which will be disposed of in due course at considerably more than the book value. With this sale and the sums from time to time written off Bank Premises we should be able to keep this account within reasonable bounds and still show our properties at approximately 50 per cent. of their value.

The enrolled members of the staff now number 3,540, an addition of 544 during the year. In accordance with our plan of contributing to the Pension Fund, which includes provision for the widows, orphans, and other dependents of deceased employees, we have appropriated \$80,000. It will interest you to know that the Pension Fund now stands at the magnificent sum of over \$2,000,000. This, of course, includes the contributions of the members of the staff themselves. This large amount has been placed in the hands of a Board of Trustees charged with its administration for the benefit of those who have given long and faithful service to the Bank. We are pleased to record our appreciation of the able manner in which this trust has been exercised. A large portion of the amount has been invested in western farm mortgages, and the whole fund is earning at the rate of about 6 1/4 per cent. per annum. The importance of making every reasonable effort to create a loyal and efficient staff cannot be too strongly emphasized, and your generous aid in the direction of strengthening the ties which bind its members, perpetuates what is best in our service and is creditable to the institution. The fund has been actuarially examined from time to time, and we believe that it is on a sure and sound basis. We hope in the near future, with the accretions from well-invested funds, to increase the maximum pension.

You will notice that after paying dividends, making appropriations for Bank Premises and Pension Fund, we transferred to the Rest Account, \$1,000,000 and carried forward a balance of \$384,529.98 to Profit and Loss account. We reported \$16,422,864 note circulation in November, 1912, and reached a maximum of \$16,548,225 in November, 1913. The lowest point, \$12,822,000, occurred in May last. The early movement of the crops relieved the pressure, but we took advantage of the emergency provisions of the Bank Act, and at the date of our statement we had \$642,923 circulation outstanding in excess of our paid-up capital. Our deposits show a decrease of \$4,803,746, but this is accounted for by the adjustment of several large amounts which were held in special accounts, and the withdrawal of Provincial Government funds. The ordinary deposits show an increase. Current Loans and Discounts were \$154,576,889 and Call and Short Loans \$25,764,910, compared with \$163,753,559 and \$17,783,049 in our last report. The total Current Loans were \$180,341,800, a decrease of \$1,194,808 for the year. We show an increase of \$9,595,701 in Government and other Securities, and \$2,960,690 in Cash.

We think it advisable to give you an assurance that in the midst of the troubled and dangerous state of affairs in Mexico our interests are being safeguarded and every precaution exercised in handling a difficult problem. Our manager enjoys our full confidence and he has shown unusual ability and judgment under these trying circumstances.

We deemed it prudent to restrict the opening of new accounts to the carrying out in some measure of a programme we had planned early in the year; and we consequently confined ourselves to districts where we had no representation, except in some cases where we opened for the protection of other branches. The geographical distribution of branches and agencies as at 30th November, 1913, was as follows:

Alberta	53
British Columbia	44
Manitoba	23
New Brunswick	5
Nova Scotia	13
Ontario	82
Prince Edward Island	5
Quebec	82
Saskatchewan	57
Yukon	2
Total in Canada	366
Newfoundland	1
London, England	1
United States	4
Mexico	1
Total number of branches	373

The number of the Bank's shareholders is now 6,026, as against 5,656 a year ago, an increase of 370. The following table indicates how widely our shareholders are scattered, not only in Canada but abroad.

	No. of shareholders.	Amount held.
Ontario	1,468	\$4,077,350
Quebec	1,162	3,011,900
Maritime Provinces	758	1,571,650
Western Provinces	126	255,700
Great Britain	1,723	3,315,650
United States	684	2,599,550
Other Countries	105	168,200
	6,026	\$15,000,000

There has been a widespread agitation in the Central Western district as to the supposed need for greater recognition of the claims of farmers to accommodation from the banks, but investigation does not support this contention, so far as this bank is concerned. A carefully prepared statement of the business of this bank in the three western provinces shows the percentage of total deposits to total loans in this district to be 55.55 per cent., which means that for every one dollar on deposit in these provinces we lend two. A compilation of the figures of the business of this bank in Saskatchewan made at the request of the Royal Commission on Agricultural Credit appointed by the Saskatchewan Government, gave the percentage of farmers' loans to farmers' deposits in this province as 278.29 per cent., while the percentage of farmers' loans to total deposits was 88.25 per cent. This means that for every dollar which the farmers of Saskatchewan have deposited with us we have lent them nearly three. These facts should convince those interested in this important subject that our farming customers have been generously treated by us.

The decennial revision of the Bank Act was an important feature of the last session of Parliament. A most searching examination and discussion of every conceivable phase of banking as it affects this country resulted in a measure evidently framed with the object of meeting every reasonable requirement, and the Act is generally regarded as a piece of unusually good legislation. The most prominent of the new features are the provisions for the creation of a Central Gold Reserve and the appointment of Auditors for the independent examination of banks.

In view of what has been accomplished in spite of so many adverse influences and taking into account the natural disposition to look at the bright side of things after having passed through a trying period, it is not easy to forecast what the coming year will bring. We are inclined to the thought that with the correction and adjustment of important matters now pending—such as the settlement of European political and financial difficulties and the attempts to bring about a return of peace and prosperity to unhappy Mexico (an important factor in the situation)—we shall see a revival of better conditions and our problems may be easily solved. We fear there will be a slow recovery, and great circumspection will be re-

