

EASTERN TOWNSHIPS BANK

The 51st annual meeting of the Eastern Townships Bank was held in the Board Room of the Bank, at Sherbrooke, at 2 o'clock on Wednesday, December 7. There were present: Messrs. Thomas Ward, Frank Spaulding, William Farwell, S. H. C. Miner, W. E. Lebaron, L. P. Jenne, Frank Sherman, Charles Ward, Gardner Stevens, Charles H. Kath-an, James S. Mitchell, Marcus G. Crombie, George G. Foster, K. C., B. C. Howard, O. A. Robertson, A. C. Flumerfelt, Frank N. McCrea, Col. H. R. Fraser, Capt. F. Ben-netts, etc. President William Farwell occupied the chair. General Manager J. Mackinnon, acted as secretary, and Col. Harry F. Fraser and Mr. M. G. Crombie were appointed scrutineers.

THE ANNUAL REPORT

The annual report was as follows:—

The Directors have pleasure in submitting to the share-holders the Balance Sheet and Profit and Loss Statement for year ending 15th November past.

The net Profits for the year amount to \$410,696.90, which with the balance brought forward from last year gives the sum of \$559,538.33 available.

Out of this the regular quarterly Dividends, have been provided for—that payable on the first of January proximo being at the rate of nine per cent. per annum; \$150,000 has been added to the Reserve Fund, bringing that account up to \$2,250,000; \$15,000 set aside for Bonus to employees, \$2,000 transferred to Officers' Guarantee Fund, and a bal-ance of \$145,038.33 carried forward.

In view of the Reserve Fund having reached 75 per cent. of the Paid Up Capital, the Directors feel justified in increasing the Dividend to nine per cent., and are confident their action will be approved.

Business throughout the country has been satisfactory and the outlook encouraging, although expectations of six months ago have fallen short of fulfilment as a result of partial failure of the grain crop in important sections of the Northwest Provinces. Nevertheless, harvest results through-out the Dominion as a whole, have been sufficient to main-tain trade and manufacturing at a high level.

Collections are fair, and the number and importance of insolvencies normal. The export trade in lumber and pulp-wood is still lagging, though tending towards improvement.

The dairy industry continues to be in a very satisfactory condition, and while along the southern border an important change has taken place, cream being shipped in large quantities to factories and others in the large cities of the United States, it is to be hoped that impending changes in the U. S. Tariff may lead to a resumption in the localities referred to and of a return to the condition previously pre-ailing and the manufacture of butter and cheese within our own territory.

It is very gratifying to notice that the tide of immigra-tion continues to flow into the country from both England and the United States. The country is growing fast, and much money and credit are needed to finance its develop-ment. Our moneyed institutions will be expected to provide increasing facilities so long as rapid development continues.

As the larger proportion of immigrants are settling in the Northwest, it means a great increase in the territory to come under cultivation, and proportionately the grain supply available for export.

Our manufacturing establishments are prosperous and are increasing in number because of important industries in the U. S. opening branches here in order to share in Canada's prosperity. Paper and pulp industries are the most active in consequence of new regulations affecting export of pulpwood. It is to be hoped that the necessity of safeguarding our manufacturing industries will be kept in view in any negotiations looking towards reciprocal trade relations with our neighbors to the South.

In view of the remarkable growth of the country it is evident that increased banking facilities will be required, and as this can be met more readily and economically by the present organizations increasing their Capital—which several have already done—the Directors have decided to recom-mend that a Resolution be passed at this meeting for authority to increase the Capital of the Bank in the sum of \$2,000,000,—this increase to be issued from time to time in such amounts and at such rate of premium as the Directors may determine.

During the year five new offices of the Bank have been opened as well as several sub-agencies, all of which are showing satisfactory results.

New office buildings have been erected at Khowlton, McTavish and Grand Forks, and three others are now under construction, viz.: Winnipeg, Montreal West and Sutton.

We have also moved into commodious new premises at Vancouver in a building specially built for our use which

we occupy under lease for a long term of years.

With deep regret we have to record the death of Mr. Frank Grundy, one of our Board, who passed away on the 14th November, 1910. Mr. Grundy was a man of wide ex-perience and good business ability and was an active and very useful member of the Board. His death is a great loss to the Bank and the community generally.

All the offices of the Bank have had the usual thorough inspections.

In conclusion, the Directors have much pleasure in test-ifying to the faithful and painstaking service of the General Manager, Managers and other officers of the Bank.

Respectfully submitted,

WM. FARWELL,
President.

Sherbrooke, Que., 7th December, 1910.

STATEMENT OF PROFIT AND LOSS ACCOUNT

For the year ended 15th November, 1910.

Balance at credit of Profit and Loss brought forward from November 15th, 1909	\$148,841.43
Profit of Head Office and Branches, after deducting charges of Man-agement, Interest due Depositors, and provision for Losses.....	410,696.90
	<u>\$559,538.33</u>
Appropriated as follows:—	
Dividend of 2 per cent., paid April 1st, 1910	\$ 60,000.00
Dividend of 2 per cent., paid July 2nd, 1910	60,000.00
Dividend of 2 per cent., paid October 1st, 1910	60,000.00
Dividend of 2 1/4 per cent., payable 3rd January, 1911	67,500.00
Transferred to Reserve Fund.....	150,000.00
Bonus to Officers	15,000.00
Transferred to Officers' Guarantee Fund	2,000.00
	<u>\$414,500.00</u>
Balance carried forward	<u>\$145,038.33</u>

J. MACKINNON,
General Manager.

GENERAL STATEMENT, 15th NOVEMBER, 1910.

LIABILITIES

Capital paid up	\$3,000,000.00
Reserve Fund	2,250,000.00
Balance of Profits carried forward	145,038.33
Reserve on account of Rebate on Bills Discounted unmatured..	\$35,000.00
Dividend No. 112 at the rate of 9 per cent. per annum, payable 3rd January next	67,500.00
Dividends unclaimed	2,678.75
	<u>105,178.75</u>
Notes of the Bank in Circulation	2,896,335.00
Deposits not bearing interest...	3,980,521.69
Deposits bearing interest	12,911,491.18
Balances due to other Banks in Foreign Countries	108,446.20
	<u>19,896,794.07</u>
	<u>\$25,397,011.15</u>

ASSETS

Gold and Silver Coin Current.	\$454,568.30
Dominion Government Notes....	1,345,763.00
Deposit with Dominion Govern-ment for security of Bank Note Circulation	130,000.00
Notes of and Cheques on other Banks	724,073.84
Due from other Banks in Canada	533,923.98
Due from other Banks in For-foreign Countries ..	989,487.04
Dominion and Provincial Gov-ernment Securities	167,073.42
Canadian Municipal Debentures and Foreign Public Securities	522,659.70
Other Bonds, Debentures and Stocks	318,096.20
Call Loans on Bonds and Stocks	1,608,832.49
	<u>6,794,477.97</u>