

## DOMINION TRUST AFFAIRS.

The report now issued by Mr. C. R. Drayton, the provisional liquidator of the Dominion Trust Company, fulfils the worst expectations regarding this company's failure. In brief, the result of Mr. Drayton's enquiries is that assets of the company are estimated to realize \$985,000—more possibly if they are protected and conditions improve. However that may be these assets are all there is available to meet \$3,000,000 of unsecured liabilities, besides the expenses of the liquidation. The shareholders' money is all gone and it is impossible to say at present how the depositors and other creditors will fare.

### IRREGULARITIES OF MANAGEMENT CHARGED.

"To sum up the situation," says the provisional liquidator, "the company seems to have done most things that a trust company should not do, and this company had no power to do, and few things that a trust company should do." There are grave irregularities of management charged, such as the failure to keep trust funds separate from other monies received, violation of powers by taking deposits, investment of trust funds and the company's own money in highly speculative assets, misappropriation of trust and other securities and so on. But it seems likely that heavy investments in the stocks and bonds of speculative organisations, chiefly land companies, are mainly responsible for the Company's downfall which in the opinion of the provisional liquidator, was merely hastened by the stringency following the war and was bound to come in any case. Six concerns are mentioned whose securities to the value of \$3,409,000 are held by the Dominion Trust Company. The liquidator says of these that not one of them was of a class such as should have been touched by a trust company. All of the accounts had small beginnings but further advances were required from time to time to protect the company's security and at the present time the finances of nearly all of these companies are in very bad shape, the report states. Mr. Drayton says some of the companies will require careful handling if the company's security is to be protected. Under present conditions it is impossible to realize anything from such securities and while they may be of value ultimately, the liquidator has put no value on them in the statement submitted.

### PROBE SHOULD BE CONTINUED.

It is to be hoped that the probe will be steadily continued by the permanent liquidator until a position has been reached where blame can be allocated—without either injustice or favor—for this extraordinary condition of affairs. British and continental money, as well as Canadian money, has been lost by this failure; purely as a matter of public policy it is necessary that every facility should be given for getting right to the bottom of it.

## THE BANK OF OTTAWA.

The annual report and general statement presented to the shareholders of the Bank of Ottawa at their annual meeting on Wednesday show the following of a conservative policy in the specially difficult circumstances of the period covered by the report. The profits for the year ended November 30 were \$620,691, a lower figure than was reported for 1913, but comparisons cannot be strictly made owing to the fact that "shrinkage in value of investments" is provided for prior to the declaration of profits in addition to the customary deductions. The balance forward from 1913 makes the total available on profit and loss account \$823,451. Of this amount the 12 per cent. dividend absorbs \$480,000; \$75,151 is applied to reduction of bank premises and furniture, \$15,000 transferred to the Officers' Pension Fund and \$25,000 given to the Canadian Patriotic Fund. After making these various appropriations, the increased balance of \$228,299 is carried forward. The Bank's rest account remains at \$4,750,000, against a paid-up capital of \$4,000,000.

The following table shows the leading items of the Bank's balance sheet in comparison with last year:

	1914.	1913.
Capital Stock . . . . .	\$ 4,000,000	\$ 4,000,000
Rest . . . . .	4,750,000	4,750,000
Circulation . . . . .	4,061,740	4,468,075
Deposits not bearing interest . . . . .	7,170,460	7,768,592
Deposits bearing interest . . . . .	32,954,781	33,038,907
Total liabilities to public . . . . .	44,431,168	45,601,132
Specie and legals . . . . .	5,344,707	5,035,860
Call Loans in Canada . . . . .	675,732	497,152
Total of Quick Assets . . . . .	16,180,823	15,153,635
Current loans in Canada . . . . .	34,342,059	36,472,199
Total Assets . . . . .	53,529,921	54,674,231

It is obvious that the Bank has devoted much attention during the year to the maintenance of a strong liquid position. The total of quick assets has been raised by about \$1,000,000 from \$15,153,635 to \$16,180,823, which with a reduced total liability to the public makes the proportion of quick assets to liability to the public this year 36.4 per cent., against 33.2 per cent. last year—the quick assets not including the deposits in the central gold reserve. Deposits are well maintained, the falling-off on the year being less than \$700,000. Current loans are decreased \$2,000,000. As a showing of conservative banking during an exceedingly trying period, the statement is one upon which Mr. George Burn, the Bank's well-known general manager, may be warmly congratulated. Mr. Francis Cole represents this Bank in St. James Street, Montreal.

### STANDARD BANK OPENS MONTREAL BRANCH.

An interesting banking development of the week is the opening of a Montreal branch of the Standard Bank, of Toronto, under the management of Mr. E. C. Green. The new branch is located in the heart of the financial district, convenient premises having been secured in the Yorkshire Building, St. James Street.

This is the first branch opened by the Standard Bank east of Ontario, and its establishment is an interesting indication of the growth of the Bank's eastern business. As at October 31, the Standard Bank's paid-up capital was \$2,941,040, with a rest of \$3,841,040. The Bank has long been known as a conservative institution transacting a sound and profitable business.