ANNUAL REPORT

Sovereign Bank Of Canada

The fourth Annual Meeting of Shareholders of the Sovereign Bank of Canada was held at the Head Office, Toronto, 12th inst., and was largely

Reports were presented as follows:

GENERAL STATEMENT (Condensed)

ASSETS.
Cash on hand and at bankers
\$18,569,009 75

COMPARATIVE STATEMENT.

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80th ▲pril	Capital	Reserve Fund and Undivided Profits	Sovereign Bank Notes in Circulation	Deposits	Balance Due to other Banks	Total Liabili- ties to the Public
1904 1905	\$1,293,876 1,300,000 1,300,000 3,585,410	\$ 324,360 372,363 426,626 1,277,400	\$ 859,375 1,091,865 1,198,190 1,416,050	\$ 3,252,919 5,691,453 8,316,205 11,858,296	\$ 45,102 148,393 428,885 431,853	\$ 4,157,396 6,931,711 9,943,280 13,706,199
Zeth April	Cash on hand and at Bankers	Bonds, Debentures, etc.	ASSETS.	Commercial Loans and Discounts	Bank Premises and Other Assets	Total
1903 1904 1905	\$ 837,580 	\$465,949 664,458 832,931 911,654	\$1,715,963 1,960,160 2,286,917 2,902,731	\$ 2,709,642 4,760,613 6,632,665 11,691,782	\$ 46,498 61,013 290,842 447,556	\$ 5,775,632 8,604,074 11,669,906 18,569,609
		DII	RECTORS'	REPORT.		

Result of the business of the Bank for the year ended 30th April, 1906:-Balance at credit of Profit and Loss Account on 29th April Net Profits for the year ended 30th April, 1906, after deducting Charges of Management, Provincial Government and

Municipal Taxes, Advertising Expenses, and accrued Interest on Deposits, and after making full provision for all Bid and Doubtful Debts Premium on New Stock issued at \$125 per share\$ 81,250 00 Premium on New Stock issued at \$130 per share 686,550 00 767,800 00

\$ 965,855 67 This has been appropriated as follows: Four Quarterly Dividends at 6 per cent. per annum..\$102,923 90

Transferred to Reserve Fund 830,000 00 Written off Bank Premises 10,000 00 Reserved for Rebate of Discount on Bills not yet due.. 5,000 00 Donations to Hospitals, etc., including South African Memorial Fund 1,500 00

-\$ 949,423 90 Balance carried forward 15,931 77

RESERVE FUND. Balance at credit of account, 29th April, 1905 \$ 400,000 00

Transferred from Profit and Loss Account 62,200 00 Premium on New Stock, as shown above 767,800 00 Total, 30th April, 1906 \$1,230,000 00

Branches or Sub-Agencies have opened at the following places in Ontario during the year: -Baden, Berlin, Brucefield, Chatham, Essex, Goderich, Huntsville, Ilderton, London East, Millbank, New Dundee, Penetanguishene, South River, Teeswater, Thorndale, Walton.

These offices have fulfilled or exceeded our expectations, and the outlook for all of them appears to be satisfactory.

All the Branches have been duly inspected during the year. The most important event during the year was the sale of a large block of stock to the Dresdner Bank at \$130 per share net to the Bank. This, with the new stock issued in Canada, increased the Bank's paid-up capital to \$3.585.410 on 30th April.

The Directors feel sure that the Bank's progress, as shown by the comparative statement of the past four years already submitted, will be highly matisfactory to the shareholders

The number of shareholders in the Bank on 30th April, 1906, was 1,119. as compared with 887 in 1905, and 841 in 1904. This wide distribution and the fact that our shareholders include some of the most powerful financial interests in the world, afford the investing and borrowing public, and all who do business with the Bank, a bulwark of strength and security of in-

The Directors have pleasure in again recording their appreciation of the Beal and efficiency of the staff, through whose efforts the Bank has now grown to such important dimensions

RANDOLPH MACDONALD, President. PRESIDENT'S ADDRESS.

In addressing the shareholders a year ago, I remarked that even with the increased capital then being issued, we anticipated no difficulty in paying a 6 per cent. dividend and still making handsome additions to the Reserve Fund. These anticipations have been realized. We paid some \$103,000 in dividends during the past year, and had a surplus from the ordinary net earnings of \$84,500, as compared with \$68,900 the year before.

I will ask the General Manager to discuss the statement submitted.

The First Vice-President then spoke as follows: The President has covered the ground fully, and I can only add that I concur in everything he has said. What has pleased me very much is the enlargement of the Bank is attracting a more important and influential class of business than might have come to us if we continued to be a comparatively small institution. We have, from the outset, enjoyed an exceptionally good patronage, but the increased security afforded by the enlarging of our capital to \$4,000,000 has undoubtedly brought valuable business from large corporations which would not ordinarily go to a smaller bank.

The greatest difficulty we have to contend with is the securing of premises. We have twice had to alter the interior of the Toronto office, but we have at last succeeded in providing our customers with satisfactory accommodation, at least for a reasonable time. I now second the adoption of the Report.

GENERAL MANAGER'S ADDRESS.

The statements submitted complete, and with a few explanatory remarks will be sufficiently comprehensible to enable the shareholders to form a conclusion as to the position of the Bank and its future prospects

I think the results of the year's business may be considered satisfactory. We made more money than in any previous year.

The immediately available assets amount to fifty-four per cent. of the deposits, although fully two-thirds of the latter are payable only after notice. "Current Loans and Discounts" \$11,682,290, consist of advances to merchants, manufacturers, farmers and others, and represent many diversified

Interests. The loans are well distributed and average \$1,992 per borrower. "Bank Premises, etc.," is a valuable asset; nearly three-quarters of the amount is represented by our ten-storey building. The Montreal Branch pccupies the ground floor and basement and the executive offices take up the whole of the first floor. The other eight floors are all rented. After charging burselves with a very modest rental this building is now netting the Bank a clear 5 per cent. on its investment. Our tenants are of a high order, and you may expect this yield to continue for some time to come. The banking coom was planned with a view to comfort and convenience, and is an unqualified success. The building and location could not be duplicated in Montreal today for within \$50,000 to \$75,000 of the value it stands at in our

The balance of the items under this heading represents only some \$1,800 per Branch, for furniture, safes, etc., and is good value, as we have written off \$30,000 from these assets to date.

The total "Assets" amount to \$18,569,000, an increase of nearly \$7.000,000 Turning to the "Liabilities" side of the statement you will observe the

stantial increase of \$217,840 in the note circulation. "Deposits" have increased over three and a half million dollars.

Balances due to Banks," are about one-half the amount due us by other A small balance of recently issued capital is being paid up by instal-

ts; the great majority of the shareholders paid in full in advance. The pald-up capital today amounts to over \$3,716,000 The Reserve Fund increase proportionately as the capital is paid in and

w amounts to about \$1,250,000. The following figures show that the bank's staff and customers have

ubled within the past two years: 1904. 1905. 1906. of officers on the staff 151 247 358 No. of depositors 17,710 26,725 37.532

Fotal number of customers 21,241 32,910 44,896

During the past year we received applications for 2,893 discount accounts, of which 1,714 were declined.

There were 32 chartered banks in Canada when we opened our doors on 1st May, 1902, and we stood 32nd on the list. On the 30th April, 1906, we had moved up into 15th place, in point of assets, and to 6th place in point of paid-up capital. It is not, however, by such comparisons that I would convey to our shareholders the merits of their own institution, but rather by inviting their careful consideration of the unvarnished figures and hard facts laid before them today.

I have always had large ideas regarding the position the Sovereign Bank of Canada should take in the financial world, but my ambition ran towards strength and safety rather than size. It is none the less pleasing to me, however, to be able to say that I believe we now have within our reach the happy combination of both solidity and magnitude, and when we hold our 5th annual meeting, I hope we shall be able to celebrate the occasion in a

manner satisfactory to the shareholders, and becoming to a great institution. Mr. W. J. Barr-I recently saw an announcement of a branch being opened in New York, and I would like to know the particular advantage of this

The General Manager-This was not referred to in the statement, as the agency was only opened a couple of weeks ago. We have always done considerable business with the United States, and felt it would pay us to open our own office, and this move has brought us other agency business. We have been appointed agents for the Commercial Banking Company of Sydney and the National Bank of South Africa. We are, therefore, in a position to compete successfully for the Canadian business that goes to South Africa, Australia and New Zealand, and to handle such business advantageously on the spot. We have no less than nine men on our New York staff, and, outside of the Collateral advantage of the prestige our New York office gives us, we have enough agency business to pay all our running expenses.

Proposed by Hon. James Young, seconded by W. J. Barr: That the thanks of the shareholders are due and are hereby tendered, to the President and Directors for their careful attention to the Bank. Carried.

Mr. Young said the statement presented today is very satisfactory. The arrangement for increasing the Bank's capital was a most happy and successful stroke, reflecting great credit upon the management. He had been more than pleased with the solid and business-like way the Sovereign Bank of Canada was being conducted. Its record has been remarkable, and the accumulation of \$12,000,000 of deposits in four years certainly evinced the feelings of the public toward the Sovereign Bank of Canada. The shareholders were to be congratulated upon the Bank's position and policy generally, and it seemed to him that these indicated most careful and conservative management.

In Mr. Stewart we have a most capable and efficient Manager. He is most aggressive in getting business, and yet conservative in handling it. Mr. Barr, in seconding the motion, said he was sure the shareholders appreciated the services rendered by the Directors. The shareholders should be more than satisfied with the excellent report. He knew this motion had

the hearty approval of all present. Mr. Macdonald-On behalf of myself and my co-directors, I beg to thank you for the kind words spoken by Hon. Mr. Young and Mr. Barr. We are pleased that we have so excellent a statement to present, and that so many shareholders have so kindly expressed their approval of our efforts.

Proposed by Major Arthur G. Peuchen, seconded by A. C. Macdonell, M.P., that the thanks of the shareholders are due and are hereby tendered to the General Manager and staff of the Bank for the satisfactory manner in which they have discharged their respective duties during the past year.

Mr. Peuchen said he knew each and every one appreciated the high order of service rendered by the General Manager and the other officers of the Bank. Another thing that Mr. Peuchen noticed was the active and intelligent interest taken by Local Managers in bringing industries to their respective towns. This showed how keen and alive this staff must be, and the results showed it.

Mr. Macdonell, in seconding this resolution, said it was his privilege to be associated with the Bank ever since its incorporation. He felt fully qualified to speak of the zeal and efficiency of the General Manager and staff. The General Manager had the happy faculty of combining zeal with

prudence, and was in close touch with each member of the staff, and the friendship and affection which existed between Mr. Stewart and the other officers of the Bank largely contributed to its success. Mr. Stewart's aim has been to instill into all officers uniform courtesy and civility.

Mr. Allan-Our men are deserving of all the good things that have been said about them, and no one appreciates this more than the Directors. The annual gatherings of the Managers and principal officers is an important function in the management of the Bank. This year no less than eighty-five were present at the conference, and the bringing together of these men once a year for consultation with one another must be of great value to themselves as well as to the General Manager.

The President-It gives me much pleasure to put this motion. I have some knowledge of the ability necessary to effectually control so large a number of men. I have had the pleasure of meeting various members of the staff, and they are all worthy of the vote of thanks just passed. Mr. Stewart also deserves great credit for the able manner in which he handles

The General Manager-On behalf of the staff, I thank you from the bottom of my heart for this vote of thanks, and I assure you that my fellowofficers and I fully appreciate the sincerity of the remarks which have been

Proposed by J. J. Warren, seconded by G. C. Martin-That the meeting do now proceed to elect Directors for the coming year. The Secretary reported that the following gentlemen had been elected

Directors for the ensuing year: Randolph Macdonald, A. A. Allan, D. M. Stewart, Hon. D. McMillan, Hon. Peter McLaren, Arch. Campbell, M.P., John Pugsley, W. K. McNaught, M.P.P., and Albert E. Dyment, M.P.

At a subsequent meeting of the Directors, Mr. Randolph Macdonald was elected President; Mr. A. A. Allan, First Vice-President; and Mr. D. M. Stewart, Second Vice-President and General Manager.

CODE OF ETIQUETTE

WHEN MEN DO NOT GIVE SEATS get out and thus create vacant seats TO WOMEN.

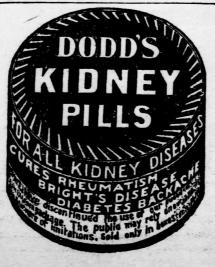
down between the bridge and Harlem six minutes at most covers the distance every weekday since the subway was to the Grand Central station. opened, using the express trains only. etiquette which her friends are study- ion when taken to task by a woman, ing with interest and amusement.

man to offer a seat to a woman in a rules is this: subway express train. The young wo- "Don't discriminate between a pretty man has come to this conclusion after and a plain woman, and in order to months of close observation. The men avoid temptation keep your eyes fixed on whose acts she bases her opinion in- on a newspaper. clude some more or less conspicuous in the social, political, professional, and 5 in the afternoon well-dressed men are business annals of the town, men who most in evidence in the subway express are expensively clad, look well fed and trains, and it is the exception when a able-bodied men, in short, who show man occupying a seat during those no indication whatever of physical ex- hours raises his eyes from his news-

Wall street district, each fortified with approach, and keep them dropped. a newspaper, and on one occasion I

ners practiced by men in the subway men. trains, and these are some of the rules of etiquette practiced by them which I etiquette are: have worked out:

crepit or is carrying a baby, don't to sit. "No mater if dozens of men are sit-



IN NEW YORK SUBWAY bridge and Fourteenth street, and the chances are about even that the women who are standing will get out there or that some of the seated passengers wil at Fourteenth street will be as sure to

And the crowd of women who pour in get seats at Forty-second street if they A woman who has traveled up and don't leave the cars at that point, and

"I actually heard a young man reahas formulated a code of subway seat soning the matter out after that fashexplained the formulator of the sub It is not considered good form for a way code of manners. "Another of the

"Between 9 in the morning and 4 and paper when a woman stands near him. "Repeatedly," said the woman, "I Every man of them is likely to scan have got in at the bridge to find almost passengers as they enter the car, then every seat occupied by men from the drop his eyes quickly as the standees "It is different in the local trains and

was the only passenger standing, while in the express trains earlier and later fifteen men-I counted them-seven on in the day, when the cars are jammed one side, and eight on the other, occu- to the guard rails with men and wopied seats on either side of that end of men, many of whom are well acquainted with physical toil. At such times "It was that circumstance which set the subway code is a little more liberal me to keeping tab on the code of man- in the matter of giving seats to wo-

"Other rules in the code of subway "Occupy a whole seat and refuse to

"Unless a woman is very old and de- move along to make room for one more When entering a car sit down in the

first vacant seat even if a woman is directly behind you or at your side. "If you doubt the correctness of this code just travel up and down for one month or less on a subway express train at the hours I have named and keep your eyes open," is what the woman tells doubting listeners.-New York Sun.

Writing from Abyssinia, a corre spondent says: "Quaint customs prevail in these parts. When a father is getting on in years the son bids him climb into a tree and jump down from the branches. If the old man staggers on landing the son spears him on the spot

his usefulness is over." You cannot always judge a man's past by listening to his thrilling and picturesque line of conversation about

HEREDITARY HABIT

PHYSICIANS FIND THAT IN MANY CASES IT RUNS IN FAMILIES.

[New York Sun.] "Heredity? Look at these finger nails of mine," said a physician of somewhat stolid exterior. "Observe that every one of them is bitten down to the quick. They've been bitten down to the quick ever since I can remember, and in spite of everything I can do. I've tried all or most of the schemes that have been invented to stop folks from gnawing on their nails, and yet here are my disgracefully bitten nails to show how ineffective such schemes are

in my case, at any rate. "Now, my mother bit her finger nails in precisely the same fashion. She had a beautiful pair of hands, with long, slender, tapering fingers, and it was one of the miseries of her existence that she simply could not get away from the habit of ruining her nails by biting them. Not only that, but my mother told me that her father inveterately bit his nails, and her father, in turn, told her that his mother had tried all her life to do away with the habit of biting her nails, without

"So you see that in my case the nail biting habit is distinctly hereditary.

"My curiosity as to this matter led me to investigate it in the cases of other persons all of them in my practice, who had the nail biting habit, and I found that in every case I tackled their immediate progenitors on one side or the other had the

genitors, on one side or the other, had the nail blting habit. nall biting habit.

"There's no reason whatever why I should bite my nails. It is asserted by some specialists in nerve diseases that the practice springs from a certain form of nervousness, but I doubt if that can be true, for I am actually the least nervous person on top of the globe, so far as I know. My mother was one of the most composed persons of her sex I ever knew. I have long since given up trying to break myself of the practice, which, being an involuntary and unconscious one, is almost impossible to control. I have, with the greatest difficulty, contrived at times to let four or five of my nails grow, permitting them to attain an almost foolish length, because I was so proud of them; but at the same time that these long ones looked like the hooked finger nails of a Buddhist anchorite, the other ones were gnawed to the quick.

"Among other things I've tried the

were gnawed to the quick.

"Among other things, I've tried the scheme of dipping my finger tips in a colorless and extremely bitter composition, so that when I put my nails to my lips to bite them I'd be reminded of my resolution by the hitter tested my first the scheme of the color of the resolution by the bitter taste of my fingers. I found it about as hard to remember to keep my finger tips dipped in this fluid as it was to remember not to bite fluid as it was to remember not to bite the nails, and so there I was. Also, for a time, I employed the plan of keeping my finger tips encased in thin patent metal tips, made for the purpose, but these things aroused so much curiosity among my patients, and forced me to answer so many questions that I had to give up that scheme. Moreover, the same difficulty about remembering to keen the upculty about remembering to keep the un-

culty about remembering to keep the unhandy things on was always present.

"I recently saw it stated in a French medical journal of the greatest reliability that fully two-thirds of all of the school children of France are addicted to the practice of biting their finger nails, and the article expressed the writer's alarm over this fact, as showing that nervous diseases must be undermining the French race. While I don't agree with the ner-vous disease part of it, the showing is certainly a curious one. A very small proportion of the school children of this country, so far as my observation goes, bite their nails. I do not believe that nervousness has anything to do with the nail biting habit."

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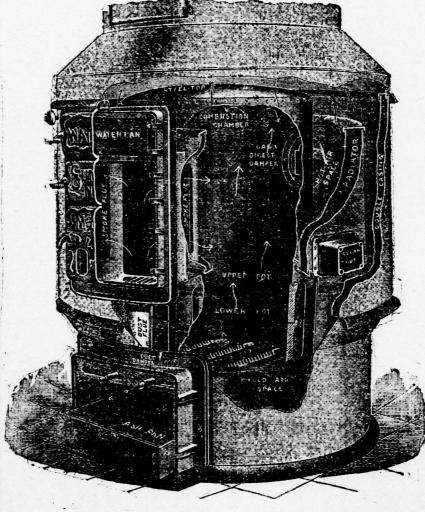
that in an hour's steady writing he has

A fast penman will write at the rate other author save Shakespeare, who of 30 words a minute. which means has two volumes devoted exclusively to him.

Keep Minard's Liniment in the house If all tombstone inscriptions were Of all the modern writers Sir Wal- literally true, his satanic majesty would ter Scott has the largest place in that have a lonesome time of it. gigantic work, the British Museum Just because the woman is the man catalogue. Scott has a larger number of the house it does not follow that

of entries under his name than any the husband is a perfect lady.

ting and two women standing, don't budge. It takes only about five minutes to cover the distance between the bridge and Fourteenth street, and the



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