THE HOME BANK'S REPORT

The report submitted at the annual meeting of the Home Bank of Canada held in Toronto recently, indicated that the bank enjoyed one of the most satisfactory years in its history. Steady progress has been noticeable in recent years under the able management of Colonel J. Cooper Mason, and advantage has been taken of this satisfactory condition to increase the bank's financial position and at the same time meet the growing requirements of the customers. For the year under review net profits were $268,894, an increase of over $30,000 as compared with 1918.

Mr. H. J. Daly, president of the bank, at the annual meeting said:—

"The report of our affairs before you to-day shows that, during the twelve months of the fiscal year ending May 31st, the Home Bank has made uniform and substantial progress. The period has been a prosperous one for the bank generally in spite of the economic problems that have arisen as a result of the war and the slow and uncertain progress made towards the restoration of normal conditions. Business interests, and for that matter social and political interests also, have been passing through a period of anxiety which is shared by all thinking persons in every walk of life. It is a matter of congratulation that our banking system has proved itself fundamentally sound under an abnormal strain and has preserved the routine of business and public credit from any indication of disturbance."

Discussing the dividend Mr. Daly referred to the fact than an increase had been made from 5 to 6 per cent. during the past year; and said that there was good hope that the stock would be put back on the old basis of 7 per cent. per annum during the current year.

The total assets of the Bank, now stand at $29,485,465 as compared with $28,635,924 in 1918 current loans have been increased by approximately $1,600,000 to $13,986,605. Deposits have increased by over $1,000,000 to $20,572,899 while circulation at $1,975,780 is about the same as in the preceding year. With the larger resources at its disposal the bank has been able to extend its general lines as will be noted by the increase in current loans.

CONTINUING GUARANTEE TO BANK

The case of Mather vs. Bank of Ottawa, decided by the Ontario Supreme Court, involved a guarantee to the bank for an amount not exceeding $150,000, and the guarantee contained the following provision:—

"This is a continuing guarantee and shall cover the whole indebtedness to the amount aforesaid or the ultimate balance from time to time due thereon to the amount aforesaid and shall cover any number of transactions up to the time of demand of payment therefor upon us under this guarantee and we agree that the said bank may from time to time and at all times renew or extend the time for the payment of the said indebtedness or any part thereof of either present or future without any notice to the guarantor and may also take and accept from time to time any and all securities from the said the Ontario and Manitoba Flour Mills Limited or any other person or persons whatsoever as security for the said indebtedness or any part thereof present or future, and may take from and deal with and compound with any party to such securities and may give up such security in whole or in part of any kind in their discretion and that the doctrines of law and equity in favour of a surety shall not apply hereto, and we hereby waive any and all defences that might be open to a surety in any action or proceeding to recover the said indebtedness or any part thereof, and it is agreed that the guarantors shall be liable for the ultimate balance remaining unpaid after all moneys which may have been received from other sources shall have been applied in reduction of the indebtedness which shall be owing from the Ontario and Manitoba Flour Mills Limited to the said bank, but the said bank shall not be bound to exhaust all of such resource against other party or parties previous to making a demand upon us for payment, the intention being that the Bank of Ottawa shall have the right to demand and enforce this guarantee in whole or in part from the guarantors, whenever the bank may deem it advisable to call upon the principal debtor to pay the indebtedness which may then be due."

After the bond $150,000 or more was paid on account of the guaranteed debt, but on account of additional advances made by the bank from time to time there was an ultimate balance of nearly $100,000 due to the bank.. This amount the bank claimed from the guarantors on the ground that the bond created a continuing liability—the guarantors contended that when $150,000 of the indebtedness had been paid the guarantors were released.

The Court decided in favor of the bank on the ground that the guarantee was a guarantee of the whole debt,—not to exceed $150,000.

"After a careful consideration of the document, I am of opinion that effect can only be given to some of its term and provisions by holding that, read as a whole, it amounts to an agreement by the appellants to make good to the bank the ultimate balance of the whole indebtedness of the milling company, the guarantors' liability being limited to the payment of $150,000, interest thereon, costs and expenses," said the Court.