

crease in reserve, we who may live to see 1921, will be very agreeably astonished. The generally satisfactory character of the statement is gratifying, not only on account of the creditable accomplishment shown, but it is further to be regarded as the result of shrewd, careful and aggressive management, a circumstance not only of importance to the Shareholders, but to the public as well, as additionally conducing to that confidence both in skill and efficiency of administration, and in stability, which is the foundation of financial success. If there is an indication of necessity in these regards in respect of the banking business generally, for an improvement in assurance in the returns suggestive of amendment of the Banking Act, there will be little ground to objection. As far as the Bank is concerned, there is no objection to the closest scrutiny of its securities, investments, and methods. In this connection, I agree with the remarks of the President, in regard to any inspection that may be considered desirable to verify the several essential items of the annual statement and monthly returns of Canadian banks. The one now before us would not be affected either as to its correctness, or favorable showing, by the rigorous scrutiny of securities and the most thorough independent audit; it must be satisfactory—as it is a credit—to the management, to the Shareholders, to the Bank's clientele, and I have great pleasure in seconding the motion for the adoption of the Report.

The motion for the adoption of the report was carried unanimously.

It was moved by E. F. B. Johnston, K.C., Director, seconded by Rev. J. S. Williamson, Shareholder, and resolved:

That the Shareholders and Directors of the Traders Bank of Canada place on record their hearty approval of any legislation of the Dominion Parliament whereby an independent examination and audit under the direction of the Government of all Canadian banks shall be made from time to time;

Resolved also, that whilst the system of auditing should be determined by the Government, it is hoped that in the public interest the method to be devised will be thorough and efficient, and of a practical character, as the result of a defective system would create injustice and tend to injure those who might be induced to rely on reports having the sanction of a Government or other official auditor.

That a copy of this resolution be forwarded to the Honorable the Minister of Finance.

In speaking to the motion, Mr. E. F. B. Johnston, K.C., strongly advocated the principle of independent inspection and audit. He pointed out the great benefit which the Directors receive from our present system of auditing in this Bank, and, although not claiming it to be perfect, he pointed out that it was a long step in the right direction. The Traders Bank is undoubtedly the pioneer in seeking to work out some method whereby the Directors and Shareholders may receive information and details apart from the general management. Under the proposed legislation the duties of Directors are found to be much more onerous than heretofore, and the penalties attached to want of care or lack of thoroughness will be severe. It is, therefore, most important that the Directors, who are endeavoring to be honest and watchful in their management, should be protected, as well as the public, by some practical method of auditing. He emphasized the fact that whatever system may be adopted would have to be efficient, otherwise there might be a tendency to do more harm than good. The greatest care will have to be taken in devising a scheme which will ensure safety to the public, on the one hand, and avoid danger, on the other hand, from too much reliance upon the results obtained from any official examining the affairs of a bank. He read the resolution appointing the present Auditor to the Board, and showed how very wide and comprehensive are his duties, as defined by the resolution, and how satisfactorily they are carried into actual practice. This official is outside the general management, and responsible to the Board only. His duties involve continuous work, and there is perhaps no officer who works harder than he does. A more extended and comprehensive system, applicable to all Banks, would protect Shareholders and Directors alike, and would be of the greatest value to the public.

Mr. Williamson, in seconding, entirely agreed with these remarks.

It was moved by Mr. Geo. Watson and seconded by Mr. C. D. McLeod that the thanks of the Shareholders are due and are hereby tendered to the President, Vice-President, and Directors of the Bank for their attention to the interests of the Bank during the past year. Carried.

It was moved by Dr. J. E. Overholt and seconded by Rev. Wm. Cooper that the thanks of the Directors and Shareholders are due, and are hereby tendered to the General Manager, the Assistant General Manager, and the staff of the Bank for their diligent attention to the interests of the Bank during the past year. Carried.

It was moved by J. Parker, seconded by Mr. Skinner, that a sum not exceeding \$20,000 be set apart each year out of the earnings of the Bank for the purpose of paying for all

the services, fees, and expenses of the President, Vice-President, and such Directors as now receive remuneration; said sum, or such portion thereof as may be required, to be apportioned as the Board may think proper. Carried.

It was moved by Mr. Jos. E. Baillie and seconded by Mr. Gideon Grant that the ballot be now open for the election of Directors, and to be kept open until three o'clock, unless five minutes elapse without a vote being cast, when it shall be closed, and until that time, and for that purpose only, this meeting be continued. Carried.

The Scrutineers reported the following gentlemen duly elected to act as Directors for the ensuing year, viz.: C. D. Warren, Hon. J. R. Stratton, C. Kloefer (Guelph), W. J. Sheppard (Waubashene), C. S. Wilcox (Hamilton), E. F. B. Johnston, K.C., H. S. Strathy.

The meeting then adjourned.

At a subsequent meeting of the newly-elected Directors, Mr. C. D. Warren was re-elected President, and Hon. J. R. Stratton, Vice-President, by a unanimous vote.

STUART STRATHY,

General Manager.

The Traders Bank of Canada, Toronto, 24th January, 1911.

THE NORTHERN CROWN BANK

Statement of the Result of the Business of the Bank for the year ended 31st December, 1910

The Balance at Credit of Profit and Loss Account on 31st December, 1909, was	\$ 152,675.14
Net Profits for the year ended 31st December, 1910, after deducting expenses of management, payment of taxes and making necessary provision for interest due to depositors and for bad and doubtful debts	258,144.45
	<u>\$ 410,819.59</u>

Appropriated as follows:	
Dividend No. 7—2½ per cent., paid 2nd July, 1910.....	\$ 55,079.62
Dividend No. 8—2½ per cent., payable 3rd Jan., 1911.....	55,090.60
Transferred to Reserve Fund	50,000.00
Transferred to Contingency Fund	75,000.00
Transferred to Officers' Pension Fund	5,000.00
	<u>\$ 240,170.22</u>
Balance carried forward at credit of Profit and Loss Account	<u>\$ 170,649.37</u>

GENERAL STATEMENT, 31st DECEMBER, 1910.

Liabilities.		
Capital Stock (paid up)		\$ 2,203,640.37
Rest	\$ 150,000.00	
Profit and Loss Account	170,649.37	
	<u>\$ 320,649.37</u>	
Unclaimed Dividends	424.10	
Half-yearly Dividend, payable 2nd January, 1911	55,090.60	
	<u>376,164.07</u>	
		<u>\$ 2,579,804.44</u>
Notes of the Bank in Circulation	\$ 1,979,848.00	
Deposits not bearing Interest..	3,939,191.74	
Deposits bearing Interest.....	8,038,399.65	
Balances due to other Banks in Canada	2,972.82	
Balances due to other Banks and Agents elsewhere than in Canada and the United Kingdom	524,575.24	
	<u>14,484,987.45</u>	
		<u>\$17,064,791.89</u>