

LIABILITIES STATEMENT,

December, 1906.

Assets.

.....	\$816,865 15
.....	78,885 34
.....	85,923 60
.....	330,000 00
.....	17,578 06
.....	105,360 14
.....	\$1,434,612 20

Agency Accounts—

.....	\$11,357,416 36
.....	2,876,459 46
.....	423,276 46
.....	648,295 59
.....	2,112 52
.....	528,670 47
.....	15,836,230 86

Agencies—

.....	\$17,270,843 15
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Real estate, stocks and bonds,

.....	\$14,137,436 24
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Liabilities.

.....	\$1,000,000 00
.....	375,000 00
.....	37,500 00
.....	13,841 61
.....	8,270 68
.....	\$1,434,612 20

Agency Funds—

.....	\$15,836,230 86
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Agencies—

.....	\$17,270,843 15
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Original assets of under administration

.....	\$14,137,436 24
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Ended the 31st December, 1906.

.....	\$95,888 72
.....	11,737 00
.....	16,236 12
.....	\$150,428 09
.....	156,088 85
.....	\$279,950 69

Forward from the 31st Dec- 06. (Less amount voted by auditors for the year ended 1906)

.....	\$ 5,060 76
.....	130,781 07
.....	122,873 38
.....	14,673 43
.....	5,962 05
.....	\$279,950 69

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.....	\$ 75,000 00
.....	10,000 00
.....	3,913 52
.....	611 24

To amount expended in improvement of office building at Toronto, written off	2,722 48
To amount carried to reserve fund	50,000 00
To balance carried forward	13,841 61
.....	\$156,088 85
By balance brought down	\$156,088 85

We, the undersigned, beg to report that we have made a full examination of the books, accounts and vouchers of the Toronto General Trusts Corporation to the 31st December, 1906, and find same to be correct and properly set forth in the above statement of profit and loss. We have examined and find in order all the mortgages, debentures, bonds and scrip of the Corporation, as well as those negotiated for the Supreme Court of Judicature for Ontario, and trusts estates and agencies in the Corporation's hands, and have checked same with the mortgage and debenture ledgers and registers. The bankers' balances, after deducting outstanding cheques, agree with the books of the Corporation.

We have also examined the reports of the auditors of the Winnipeg and Ottawa branches, and find that they agree with the head office books.

(Signed) R. F. SPENCE, F.C.A., CAN,
(Signed) GEORGE MACBETH, Auditors.

Toronto, 15th February, 1907.

President's Address.

The president, Dr. Hoskin, in moving the adoption of the report, said:—

It gives me a great deal of pleasure to move the adoption of the report which has just been read (first) because it is a most satisfactory one in every respect and (secondly) because this meeting marks the close of a quarter of a century in the history of the Corporation. The company was established on the 3rd February, 1882, and of the nineteen charter directors then appointed ten have died, four have resigned, and only five of the nineteen now remain on the board, viz.:—Attorney-General Foy, Sir Emilius Irving, Senator Jaffray, Messrs. J. G. Scott, and J. W. Langmuir, the managing-director. You are all aware that when we commenced business in 1882 we were the first and only Trust Company in Canada, and so well have we led the way as the pioneer company, and so well have we educated the public to use the services of a corporate executor, trustee, etc., that we have now no less than twelve competitors in the field, and had we not absorbed three companies we would have fifteen to face. Notwithstanding the keen rivalry we have had to meet, I think, after an examination of the statements submitted to you to-day, that you will all conclude that we have even more than held our own.

I am sure also that our shareholders have no reason to be dissatisfied as they have received not only good dividends during the whole period of their shareholding, but the highest paid by any of the other trust companies.

A change in the constitution of the Corporation was effected during the year by the abolishment of the executive committee in order that all the directors on the board might have a full knowledge of every undertaking and transaction before being entered upon, still, of course, retaining the inspection committee, which has done such excellent work.

With the immense mass of business in our hands it would not have been at all surprising if the Corporation had to meet a great deal of litigation, including actions against the Corporation itself. You will perhaps, therefore, be surprised to learn that only in three cases in twenty-five years has the Corporation ever been charged with mismanagement or breaches of trust, in all which we have been entirely absolved by the Courts, although one case is under appeal. I am sure you will agree with me that this is a record any company might well be proud of, more particularly a corporation having charge of estates and trusts, many of them placed under our care because of their involved and intricate condition.

Need I again say to the shareholders, and through them to the public, that the Corporation still strictly adheres to the decision arrived at on its establishment to transact only business coming within the duties of an executor, administrator, trustee, investor, and work of a kindred character, as well as agents of persons holding these fiduciary positions. I fully believe that the great success of the Corporation is due to the appreciation of the public of our system of transacting a trust business entirely free from speculative transactions, and it will be gratifying to the shareholders to learn from the statements which at the end of twenty-five years are presented that the Corporation is perhaps only now beginning to reap the benefit of our carrying on, in the strictest sense, a purely trust and agency business. Owing to the large and increasing volume of trust and agency business, and even with the Corporation's compensation reduced to a minimum, you will see that the net profits for the past year have increased.

I have therefore pleasure in moving the adoption of the report, seconded by the Honorable Mr. Wood, leaving it for the managing-director to address you on general matters connected with the Corporation.

Managing Director's Address.

Mr. J. W. Langmuir, the managing director, being called on said:—

As the annual meeting of the shareholders on this occasion marks the twenty-fifth anniversary in the history of The Toronto General Trusts Corporation, I may be permitted as one of its founders, as well as managing director, to very briefly review its career for the past quarter of a century.

The Corporation was called into existence in 1882 to provide a much-needed and important link in the chain of our monetary institutions in Canada, viz.:—An organization clothed with the requisite powers and equipment to perform the duties of a corporate executor, trustee, administrator and other kindred positions of a fiduciary character. Prior to that time these positions in Canada, and the duties pertaining to them, had to be undertaken by individuals with all the disadvantages that, in many instances, necessarily attended individual administration. These disadvantages, which frequently become serious evils, whether arising out of illness, death, incompetency, insolvency, or dishonesty, are so clearly set out in the literature of trust companies that I need not take up your time in recapitulating them on this occasion.

In its initial efforts to educate the public to adopt the corporate instead of the individual system of estate and trust management the Corporation had to contend against not a few old established methods, both of a legal and fiduciary nature, which had prevailed in estate management from time immemorial. Apart from this it must also be admitted that the change was more or less radical in its nature and for that reason it required practical illustrations of the superiority of the corporate system before its general acceptance by the public could be expected to prevail.

It has been truly said that confidence is a plant of slow growth, and the trite saying is peculiarly applicable to the growth and progress of a trust company. If, in addition to the management of estates, the Corporation had entered the wide field of banking, promotion, underwriting and general financial work, as is done by nearly every trust company in the United States and not a few in Canada, it will be obvious that the Corporation would have more speedily acquired perhaps a larger and possibly a more profitable business than in the conduct of strictly trust and agency work. In the former case the volume of business is restricted only by the amount of capital and credit that can be obtained and profitably employed; while in the latter the increase in business depends entirely on the appreciation by the public of the objects of the Corporation. The Board has always considered the work of promotion, guaranteeing industrial issues and other duties of a similar character to be more or less inconsistent with the functions of this Corporation at any rate, which has an enormous volume of estates business in its hands. Even at the present time with the mining operations now going on in the northern part of Ontario we have refused transactions which would have netted us many thousands of dollars.

That the difficulties which the Corporation had to contend with in its earlier years have been almost completely overcome, and that the Corporation has acquired, and now holds, the confidence and appreciation of the public is conclusively shown from the statement of executorships, trusts and general work assumed and administered during the past twenty-five years. This statement, which is attached to the report submitted to you to-day, is arranged in five-year periods, in order that the growth and progress of the Corporation may be more clearly shown at the end of each quinquennial year. A concise summary of these figures is as follows:—

Executorships, trusts, etc., taken over for the	
First five years ended 31st March, 1887.....	\$ 3,653,432 60
Second five years ended 31st March, 1892..	5,458,403 48
Third five years ended 31st March, 1897..	9,661,418 37
Fourth five years ended 31st March, 1901..	18,437,476 81
Fifth five years ended 31st December, 1906	19,080,661 12

Making a total of

It should be stated that the abnormally large increase in the quinquennial period ending in 1901 was due to the taking over of about \$4,000,000 assets by the absorption of the Trust Corporation of Ontario.

The foregoing only includes the actual assets dealt with. If to this the interest and revenue derived from these assets be added, which properly may be done, the aggregate dealt with for the twenty-five years would amount to \$69,787,762.88. These figures entirely exclude trusts assumed by the Corporation for bond issues, amounting to \$64,077,000.00, and if these are added to the assets and revenue it is shown that the aggregate volume of trust and agency business transacted by the Corporation during the quarter of a century just ended amounted to no less than \$133,864,762.88.

Another evidence of the growth and progress of the Corporation is exhibited by the large increase in the interest