

It was generally thought during the past year, that owing to the circumstance of the war, and the great uncertainty of business and financial prospects, only a very moderate statement might be expected from any bank, however prosperous it may have been in the past. It is, therefore, infinitely gratifying to learn, as we do from the reports just read, that the progress and vitality of the Royal are as good, if not better, than any previous record.

We congratulate you and the General Manager on the splendid showing we have just heard, and speaking more particularly for the shareholders in Ontario, I may say that we commence another year with unbounded confidence in the future course of our institution.

Whilst this is the case, it may be wise to consider what the future may be like. We cannot judge of this on a financial or commercial basis. War of the present magnitude, affecting so many interests, and so far-reaching is its effects, destroys all principles of business, and we are left to judge of possible results on new, and perhaps wholly uncertain, lines. The man on the street is perhaps as likely to be right as the most capable and experienced business man. There is no specialty expert in forecasts under these conditions. I do not profess any special knowledge or intuition on the subject, and, therefore, what I have to say about the matter must be problematic.

Of one thing there can be little doubt, and it is a matter which banking institutions must take into account. Whenever the war ends, there may be a period of very grave depression in business matters. Canada, from a mercantile and manufacturing point of view, is singularly active just now. This is not due to the condition of general or continuous trade, but to an abnormal state of affairs caused by special and abnormal conditions. If we had no demand for clothing, boots, shells, food and other war necessities, almost every business would be dull and inactive. With the tremendous amount of money received in respect of such manufactures, it is no wonder that banks have money, or that a spasmodic wave of prosperity, limited as it may be, is felt in many of our business centres. After the war, what may we expect, looking at the question from a commonsense standpoint? We had a market in every country in Europe up to 1914. That market has been destroyed, except for the articles above mentioned, and some others. Take away these articles, and what market would we have for almost any of our products, except perhaps grain? How long will it take to reconstruct and reorganize our former market? I believe it will be five years after the war ceases before this reconstruction can be effected, and during that time we will feel the depression always resulting to a producing country, where the demand is more or less destroyed. The millions of the conquerors and the conquered must fall back into the line of demand, before we can hope to recover. What new areas for our goods have we acquired? Some efforts have been made to secure these, but so far our efforts have been limited in practical results.

I refer to these matters, not because I have lost one particle of faith in the great vital strength of Canada, but because I think we ought not to be lulled to sleep by the voice of the theorist, or the prophecies of the dreamer. Rather let us look our position in the face, and prepare against such realities as may happen to us, or what may be reasonably expected. Well, this is the first thing we should consider, and very seriously. The banks ought to so direct their business policy as to provide for such a contingency.

Another matter we must be prepared to meet is the disposition of the hundreds of thousands of men of our own country, and the millions of Great Britain, who at the close of the war will be without an occupation. Their present life will more or less unfit them for the routine of daily labor. They will not be the same men as when they left the plough, the factory or the shop. War and army life are very different from peace and the solitariness of the workman. What provision is being made by way of preparation or otherwise for the soldier who leaves a life of excitement and comradeship in the trenches, and is asked to take up the monotony of the hammer, or the plough, or to go back to the sale of goods over the counter?

The partial, and perhaps the chief cure, it seems to me, will be immigration, based on a sane system and governed by practical methods. So far, our methods of immigration have been most primitive. The bringing out men to this country, and planting them miles away from a neighbor, without knowledge of practical wants or conditions, poor, and with no means of getting help, has resulted in what we might expect. Many of these settlers have grown tired and almost desperate with the lonely life, and the lack of sympathy, and have drifted back to the centres, and become a burden. In addition to

this, they have ceased to perform their functions, and have become consumers, instead of producers, adding to the country's load, instead of to the National wealth, by means of industry and production from the land. We should place these settlers in blocks, not composed of any particular nationality, and a practical farmer should be appointed by the Government in various localities to show them what to do, and how to do it. The Government should help these people for a year or two, and make every bank its agent to advance means of a limited amount to help the settler along. The Government might very properly, under proper safeguard, indemnify all back advances to these men up to a few hundred dollars each, against which the land and stock and crops would be a security.

This is only a mere outline, but I am certain a system could be worked out under which we could get ten times the number of settlers we have been getting in the past. One has only to mention the fact that Canada is about the only country left which can offer climate, soil, transportation, land, etc., to an unlimited extent, and the most we have been able to attract has been about forty or fifty thousand capable men per annum. And let me correct a mistake which is apparently common to many people. Banks are accused of not lending to Western farmers. If proper precautions and legislation were provided, as in the case of lumbermen, wholesale dealers and manufacturers, whereby a simple and reasonable security could be given by the farmer to a bank, the farmers would be enabled to borrow every dollar they required. Everyone connected with a bank knows that banks prefer farmers' notes to those of any other nature, and I am certain that if the aggregate amount of purely agricultural loans made by banks was known, it would be seen that this line of credit is larger than that of almost every other class. I hope to produce some day actual evidence of this fact, and I am sure if the real truth was known, even those who make the complaint in this connection would be convinced of the fair and liberal character of the advances made to farmers as compared with other classes of the community.

Again, I wish to say how gratified we all are with our Statement, and I hope you will not cease in your efforts until we stand higher than the highest.

The Directors' Report was then unanimously adopted.

It was moved by Mr. Fayette Brown, seconded by Mr. Alex. Paterson and resolved, that Mr. J. Marwick and Mr. S. R. Mitchell be appointed auditors for the ensuing year under Section 56, Sub-Section 6, of the Bank Act, and that their remuneration be not more than \$12,000.

It was moved by Mr. A. Haig Sims, seconded by Mr. C. R. Hosmer, and resolved, that the thanks of the shareholders are due and are hereby tendered to the President, Vice-Presidents and Directors for their careful attention to the interests of the bank during the past year.

Sir Herbert Holt replied.

It was moved by Mr. C. S. Wilcox, seconded by Mr. A. J. Brown, K.C., and resolved, that the thanks of the shareholders be tendered to the General Manager and officers of the bank for the efficient manner in which they have performed their respective duties.

Mr. E. L. Pease replied on behalf of the staff.

On motion of Mr. Hugh Paton, seconded by Mr. A. E. Dymont, it was resolved that a ballot be opened for the election of seventeen Directors.

It was moved by Mr. C. R. Hosmer, seconded by Mr. A. Haig Sims, and resolved that the following be elected Directors for the ensuing year, and that one ballot be cast: Sir Herbert Holt, E. L. Pease, E. F. B. Johnston, K.C., Wiley Smith, His Honor Governor MacKeen, Jas. Redmond, G. R. Crowe, D. K. Elliott, Hon. W. H. Thorne, Hugh Paton, T. J. Drummond, Wm. Robertson, A. J. Brown, K.C., W. J. Sheppard, C. S. Wilcox, A. E. Dymont, C. E. Neill.

Upon receiving the scrutineers' report, the Chairman declared that the Directors listed above had been elected for the ensuing year.

It was moved by Mr. Fayette Brown, seconded by Mr. Alex. Paterson, and resolved, that a vote of thanks be tendered to the scrutineers.

On motion the meeting adjourned.

At a subsequent meeting of the Board of Directors, Sir Herbert Holt was unanimously re-elected President, Mr. E. L. Pease, Vice-President, and Mr. E. F. B. Johnston, K.C., 2nd Vice-President, for the ensuing year.

The Directors then adopted new By-Laws providing for the appointment of a Managing Director. Mr. E. L. Pease was appointed to the position of Managing Director, and Mr. C. E. Neill to succeed him as General Manager.