tee has emphasized the imperative need that the gold standard should be effectively maintained in Great Britain, and that the necessary measures to this end should be taken without delay. Similar measures are being urged in the United States by a not uninfluential section of the press, and it is disquieting to hear a discordant note sounded in certain influential financial circles in this country. We think that the Government could well afford to pay a small royalty to encourage an increase in the production of the gol dmines of Canada. The conditions of the last two years have very adversely affected the mining of gold, especially as compared with silver, and in the interests of the country we believe that the Government should seriously consider some plan for placing this industry on a profitable footing.

Large Volume of Transactions.

The next item of the assets, consisting of notes and cheques and balances due by other banks, shows an increase of $3,830,000, almost all of which is made up of larger holdings of cheques on other banks, which constitute the daily exchanges. This increase is due solely to an increased volume of current banking transactions. Securities of various kinds have increased $16,183,000, represented principally by larger holdings of British and Canadian Government securities. On the other hand, railway and miscellaneous securities have decreased slightly. Call and short loans show an increase of $8,324,000, of which the greater part is in loans outside Canada, and immediately available assets are $35,682,000 greater, standing at about 50 per cent. of our liabilities to the public. Commercial loans show an increase of $52,621,000, nearly all of which is lent in Canada. While there is no doubt a good deal of activity in such manufacturing as can be carried on under the circumstances of the past few months, a large part of this increase is due to high prices and to delay in realizing on our wheat and other produce, which has been reserved by the Government. The delay in this connection, while no doubt largely inevitable under existing conditions, has a prejudicial effect on those immediately concerned. With the passing of the era of high prices, especially those of farm produce, and a return of wages to a more normal level than that of munition making, we must expect to see decreases in the volume of both our loans and deposits. Indeed, it will not be surprising if the figures of the present balance sheet are not exceeded for several years to come.

Total Assets Increase.

The principal change in the item of Real Estate other than Bank Premises is occasioned by our having paid off a mortgage on the Eastern Townships Bank building in Montreal. We also paid at maturity the mortgage on part of the property adjoining the site of this building, acquired some years ago for the extension of our Head Office premises; this, and the purchase and remodelling of a building for the use of our Three Rivers branch are the principal items accounting for the net increase of $254,000 in Bank Premises account. Total assets have increased $95,935,000, and now amount to the very large sum of $440,310,000. This increase is 27.8 per cent. over the figures of last year, a remarkable showing when it is recalled that we have been marking time in the opening of new branches, and that we have not taken over the business of any other bank.

Mexico Branch.

We have continued to keep our office open in Mexico in the expectation that general conditions in that unhappy country would so improve that it would enable us to operate at some profit. We hope, now that the great European war is over, that the Mexican authorities will see their way to guard the interests of foreign corporations, so that we shall not be compelled to withdraw from what would be, under ordinary conditions, a profitable field for banking. Should we be disappointed in our expectations, however, we should not be exposed to any undue loss, as we have from time to time continued to make appropriations against our investments there.

Reinstate Returned Men.

With regard to the staff, it is our desire to reinstate all officers who wish to come back to our service from military duty, and at the same time to avoid any hardship which might be created by dispensing with the services of the members of the temporary staff, who have filled the breach so acceptably during the past four years.

With sorrow we record the death in action of eighty-five additional members of our staff during the past year, making a total of 226 who have been killed in action, or have died of wounds, since the outbreak of the war. The number of wounded men reported to us has now reached 294; 7 are still recorded as missing, and 23 as in the prison camps. Under the terms of the armistice we trust that these prisoners have now been successful in reaching allied or neutral countries.

Increase Export Trade.

A year ago I urged the importance to Canada of stimulating the production and export of food, the need of organization for the purpose, and the attractiveness of the outlook for this branch of commerce. The ending of the war has in no wise dimmed the prospect. The last number of the Agricultural Gazette, the official publication of the Dominion Department of Agriculture, contains an appeal from the Dominion Government along similar lines, and particularly emphasizes the bright prospects of the meat export trade. Speaking of the outlook before this country now that the war has ended, the Minister of Finance, Sir Thomas White, writes: "There would seem no reason to apprehend any failure of markets for all the food that Canada can produce. Our grain, live stock, and their products, with those of our fisheries, should all be in keen demand at high prices. . . . . Increase in our agricultural production will not only help to furnish food for a hungry Europe, but will be a chief factor in maintaining our favourable international trade balance as well." All countries are seeking to increase their export trade; all are hoping to be sellers and to limit their purchases. Under such conditions the successful ones will be those which have special natural advantages for a certain line of production and which can find a market for the same line of goods. Is there any country better fitted than Canada for the production of food, or any branch of commerce in which an ample market is more assured?

Sane Spending.

Any number of plans are afloat for the carrying on of large public works after the war. These are advocated on all sides in the hope that the era of free spending may tide over that of falling prices. Few of the promoters, however, appear to have considered where the money is to come from. By all means let a wise and statesmanlike view of the matter prevail, and all public works be undertaken which are in the best interests of the community, having regard to all aspects of the question. But let it not be forgotten that such works have to be paid for sooner or later out of the taxes, and the hope of every citizen at the present moment, I may safely say, is to see his tax bills reduced rather than largely increased. Even pubic borrowing cannot indefinitely postpone the evil day of payment.

Reconstruct With Savings.

Some of our municipalities are already hampered by the load of debt incurred in former eras of prosperity, and no one would advocate any considerable increase at this time in the national debt of the Dominion. The safe course is wisely set out in the Cunliffe report to which I have already referred. After speaking of the pressure that is sure to be brought to bear upon the state for capital expenditure in many forms for reconstruction purposes, it points out that all money expended on reconstruction work should come out of savings and not be obtained by the creation of new credit. The burden of prevailing high interest rates in the case of such works has also to be considered, and although the outlook as to the value of money after the war is uncertain, it seems probable that current rates in England are held below the natural level at present by war-time regulations, and that when these restrictions are removed, rates may tend upward rather than downward. It is clear that the importance of saving and economy in personal expenditures as a public duty will not be lessened by the ending of the war, but, if possible, increased.

Trade Problems.

The task of dealing with the trade problems of Canada has already been taken up in earnest by a number