

If Canadian industries are to flourish and increase in the face of the world's competition, our manufacturing processes must be improved, all waste eliminated, by-products utilized, and research encouraged. In the new order of things there is no room for antiquated or unscientific methods. A step in the right direction is the formation of groups of Trade Guilds with the object of applying scientific knowledge to the problems of various industries. These guilds follow the plan developed with such rapidity and success in the United States and in Great Britain, where more than thirty are now in operation. The determining factor in our success will be progress in scientific research, through which a new impetus will be afforded to industrial activity.

A distinct advance has been made in methods of selling goods in foreign markets. The traveller who formerly served the limited interests of one manufacturer is now being replaced by Export Companies which act as sales agents abroad; some for a number of firms engaged in the same industry; others for a group of varied enterprises. Under the new system a thorough study is made of the business possibilities of the territory to be covered, a permanent office is established, and specialized salesmen are employed. A maximum selling efficiency is thus obtained at minimum cost. So great are its advantages that the United States, which has always legislated against combines, has, by the Webb law, sanctioned their formation for export trade, and up to November last 52 combinations embracing machinery and tool makers, paper makers, lumber manufacturers and general exporters were registered under this Act. The recent incorporation of companies in Canada for like purpose, indicates that we shall not fail to keep pace with this new development. The British Committee on Commercial and Industrial policy after the War strongly recommends the establishment of these combined selling organizations in all lines of trade, and an extract from the final report of this committee is appended.** (See note at end of report.)

EXTENSION OF EXPORT TRADE NECESSARY

The expansion of Canada's export trade is vital to her commercial self-preservation and future economic welfare. Only by creating a large favourable balance of trade can we hope to meet the interest on our foreign debt. A great opportunity lies in the speedy development of all the possibilities of our live stock industry, which during the past five years has experienced a phenomenal growth. It is capable of far greater expansion, and as the world's production of animal food stuffs will not be equal to the demand for many years to come, high prices and good markets are assured. A special trade and commerce committee has been sent to London with a view to securing special business from the Allies during the period of reconstruction, which would mean genuine prosperity for several years, but beyond this we need to promote permanent trade relations with South America, the Orient and other portions of the Empire. Other countries are making great preparations to exploit these fields, and there is no reason why Canada should not play an important part in the competition. Our manufacturers demonstrated their technical skill and efficiency in producing munitions and other commodities during the war at a lower cost than the United States. We possess an important advantage in our cheap lumber and paper. The vigorous ship-building policy of the Government will provide in the course of the next eighteen months forty-five vessels of a total dead weight tonnage of 246,000 tons, and thus afford direct communication with foreign countries. Of our large imports of tropical products from the West Indies and South America, only about one-fifth reaches us directly. Four-fifths are discharged at United States ports for trans-shipment to Canada, and the steamers which bring them are laden on the return voyage with American goods.

One of the most effective means of securing export business would be an improvement in transportation facilities. Our ports, both on the Atlantic and the Pacific, should be amply provided with docks of the best class and with the most modern equipment for loading and unloading. If they were also practically made free, vessels would be attracted from all parts of the world.

The Canadian banks can effectively aid our export trade by establishing branches in foreign countries and supplying information to the Canadian exporter to enable him to judge of trading possibilities, such information to include statistics relative to the demand for our manufactured and raw products, methods of transacting business, rules and regulations to which business interests must conform, and the standing and credit of business houses. British banks exist in almost every foreign country, and have proved a powerful factor in the development of Great Britain's world wide trade. Lloyd's Bank recently purchased the assets of the London & River Plate Bank, the

largest bank in South America. Germany's trade was promoted by her banks, and American banks are rapidly establishing foreign branches.

The American Bankers' Association adopted the following resolution at its annual meeting in Chicago in September last:

"To support by every means in their power the development of export trade, to encourage manufacturers to enter upon this field of distribution, and to provide as rapidly as possible adequate facilities for financing export operations "that the nation's great Merchant Marine may be profitably "continued after the war."

Are we going to accept the crumbs of foreign trade without serious competition on our part? It does not follow that Canadian deposits would be diverted to foreign fields—the experience of this Bank has proved the contrary. Our foreign deposits have always exceeded our foreign commercial loans, as the Government returns show. The present excess is over \$15,000,000. We have now had twenty years' experience of banking in Cuba, the West Indies and Central America. During this period our losses have been infinitesimal—much under the percentage incurred in Canada, because the business represents chiefly the movement of staples, accommodation paper being inconsiderable. That Canada's trade is benefited by these branches is shown by the numerous business enquiries received. At the same time it cannot be said that we have neglected home interests. The number of our branches in Canada exceeds that of any other bank. With a view to the extension of Canada's foreign trade and encouraged by our past success in this field of banking, for which we are well equipped, we have decided after long consideration and carefully studying the situation, to open three branches in South America, at Rio de Janeiro, Brazil, Monte Video, Uruguay, and Buenos Aires, Argentine. Members of the staff for these branches have already been selected, and are about to leave for South America.

I cannot close without some reference to the achievements of the men who have so splendidly represented our country abroad. They have made the name of Canada great in war—it is for us to keep it great in peace. With thrift, co-operation, organization and wise leadership, we may hope to build up a nation strong in its own strength and a worthy partner in the Empire.

I beg to second the motion for the adoption of the report.

DIRECTORS

A resolution was adopted authorizing an increase in the number of Directors from twenty to twenty-two.

THE STAFF

A vote of thanks was passed to the President, Vice-Presidents and Directors, also to the General Manager and staff. In replying to the latter, Mr. C. E. Neill, General Manager, said:

In thanking you for your appreciation of the work of the officers of the bank, it may interest you to know that our staff now totals 4,316, as compared with 2,855 at the end of 1914.

About 1,200 of our enlisted men are still overseas and, as intimated by the President, as they return it is our intention to find suitable positions in the bank for these men who have served their country. It will be our endeavour that no returned member of our staff will be able to say with justice that he has not received fair treatment from us.

It is well for the shareholders to realize that the success of the bank depends to a great extent upon the Managers and other officers at our branches. In this respect I believe that no bank in Canada has a more capable or loyal staff than we have, and that the shareholders may expect the same loyal service in the future that has been accorded in the past.

On behalf of all officers of the bank I thank you for your vote of thanks.

BOARD OF DIRECTORS

The following were elected Directors for the ensuing year:

Sir Herbert S. Holt, K.B.	C. S. Wilcox
E. L. Pease	A. E. Dyment
E. F. B. Johnston, K.C.	C. E. Neill
Jas. Redmond	Sir Mortimer B. Davis
G. R. Crowe	G. H. Duggan
D. K. Elliott	C. C. Blackader
Hon. W. H. Thorne	J. T. Ross
Hugh Paton	R. MacD. Paterson
Wm. Robertson	W. H. McWilliams
A. J. Brown, K.C.	Capt. Wm. Robinson
W. J. Sheppard	A. McTavish Campbell.

At a subsequent meeting of the Directors, Sir Herbert S. Holt was unanimously re-elected President, Mr. E. L. Pease, Vice-President and Managing Director, and E. F. B. Johnston, K.C., second Vice-President.