

## The Canadian Bank of Commerce

Head Office—Toronto, Canada

Paid-up Capital - - - \$15,000,000  
Reserve Fund - - - 13,500,000

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., President  
ALEXANDER LAIRD - - - General Manager  
JOHN AIRD - - - Assistant General Manager

This Bank has 370 branches throughout Canada, in San Francisco, Seattle and Portland, Ore., and an agency in New York, also branches in London, Eng., Mexico City and St. John's, Nfld., and has excellent facilities for transacting a banking business of every description.

### Travelers' Cheques and Foreign Drafts

Travellers' Cheques are issued, which are a great convenience for the use of travellers. For full particulars, enquire at any branch.

Very complete arrangements have been made for the issue of Foreign Drafts, by which money can be remitted to all parts of the world.

## The Bank of British North America

Established in 1836

Incorporated by Royal Charter in 1840

Paid-up Capital - - - \$4,866,666.66  
Reserve Fund - - - \$3,017,333.33

Head Office in Canada, Montreal  
H. B. MACKENZIE, General Manager

### Branches in British Columbia

Agassiz	Kaslo	Quesnel
Ashcroft	Kerrisdale	Rossland
Bella Coola	Lillooet	Trail
Duncan	Lytton	Vancouver
Esquimalt	North Vancouver	Victoria
Fort George	150-Mile House	Victoria, James Bay
Hedley	Prince Rupert	

### YUKON TERRITORY

#### DAWSON

Savings Department at all Branches.

Special facilities available to customers importing goods under Bank Credits.

### Collections made at lowest rates

Drafts, Money Orders, Circular Letters of Credit and Travellers' Cheques issued; negotiable anywhere.

Vancouver Branch

WILLIAM GODFREY, Manager  
E. STONHAM, Assistant Manager

these was on the occasion of the outbreak of war in the Balkans, October, 1912. Financialdom appreciated the tension in the diplomatic relations of the powers. Unless skilfully handled they were in danger of embroiling Europe in a general war. Happily this was averted, but the strain of keeping the general peace told on the nerves of finance. In the process of liquidation which resulted, the Dominion was temporarily cut off from the sources of supply for money, so that many improvements in process of completion had to be curtailed. The banks, for self-protection, had to draw in credits and a general call for reduction in loans was made on business. It proved not so easy to get in outstanding obligations, and collections remained a source of concern to the larger wholesale and jobbing houses. The banks were unable to render assistance by extending credits. Then followed a money stringency which brought about curtailment on the one hand, and reduction of liabilities on the other. Prices were cut, goods were dumped out at prices which showed no profits and in many cases showed net losses. Over-buying ceased and business speculation was reduced to a minimum. All during the year 1913 the situation was held in check by the larger financial interests and the banks, giving time to liquidate stocks on hand and gather in outstanding credits. Economy was urged on all sides. In the process of shortening sail it was natural that all should suffer, and some unable to stand the strain were forced out of business. The speculative community dealing in realty found itself without business and those involved were either forced to change their occupations or move to other fields. Building contractors were similarly affected.

The general cut in prices showed that there were too many retailers in business for the community to support, so the weaker of these were forced out. This is particularly noticeable in the outlying districts of the city. In times of stress people purchase the necessities in the cheapest market, which is usually in the more densely settled portion of the city.

Real estate was the heaviest hit in the readjustment, especially that part of subdivision nature, which was purely being held against the time when the community would want it as residence property. Since subdivisions were put on the market to the extent of discounting the growth of the city toward a population of a million, it was natural that in the first attempt to turn these properties into cash or to relieve the holder of future liabilities that they should suffer depreciation and at times find no market whatever. While realty furnishes one of the most valuable sources of wealth to the individual and to the community as bank collateral or as reserve against demand in times of stress, it furnishes one of the poorest forms of value for conversation purposes. Many business men found that realty, instead of being a resource was in reality a liability, making the drain on business more severe.

The process of readjustment and curtailment continued all year. The opening of 1914 found business thoroughly liquidated. Stocks on hand were small, and buying was of the hand-to-mouth variety. Business liabilities has been successively reduced. Shorter credit was the only term on which this could be done.

The money stringency is over, and while money is comparatively plentiful application for credit must show legitimate use, and must be restricted to the smallest possible requirements.

The banks are urging economy, and the savings resulting from a more studious application of business principles and scientific management would be astounding in their total if by any means one could gather the statistics. The lesson has been learned and the city is coming out of the strain with many new ideas of carrying on business, although shorn of the prospective profits that had been so fondly looked upon in the palmier days. The day of pioneer conditions is gone forever. Profits must now be made by superior service, with keener competition, and with due appreciation of the idea that sound growth is dependent on turning back into a business the profits of turnover, with less use of bank credit in proportion to the business done.

While commerce and industry are expected to be quiet for a considerable period in the future the signs all point to the fact that the readjustment has about reached bottom. The trend is all toward a slow and steady recovery. During the present period of depression, which Vancouver is experiencing along with pretty much all the rest of the Dominion and the United States, a time can never safely be assigned as representing a turn in the tide until a considerable period has elapsed. A period of slack water is always met when the tides are conflicting and the same principle holds true

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