

IMPERIAL BANK OF CANADA—Continued.

everywhere by the farming community, and in any case it does not seem to have affected seeding to a great extent. It is to be hoped that Providence will be kind and the yield good. If Providence is kind and half the amateur effort is made that is being urged there will be more garden stuff in this particular vicinity than will be consumed.

A REVIEW OF CONDITIONS.

I will not burden you with figures but think it well to mention that the Bank Clearings this year, so far, have increased enormously over last, reflecting, in part at least, the inflated conditions. Building permits show some increase; it is difficult to decide the cause. Railway receipts have grown. The number of immigrants, while small compared with former years, have increased somewhat over last year, nearly all coming from the United States. The entry of that country into the war, with the resultant debt and taxation, and the recent regulation regarding free wheat, must, I think, aid us in the future in obtaining American settlers. About a hundred thousand soldiers have been added to our army during the past year, and about one hundred and fifty thousand have been sent abroad to join their comrades, but, alas, ninety thousand casualties have occurred since the war began, and of these more than twenty-six thousand are dead—a heavy toll. Our foreign trade has grown enormously, with a balance still largely in our favor. The effect of this is however, it seems to me, largely nullified by credits granted the Mother Country. Our debt has of necessity grown enormously, and is increasing at the rate of probably three-quarters of a million a day, and it is only reasonable to expect that we must soon begin to feel the effect of the burden. It will, I am sure, be cheerfully borne.

NEW BRANCHES OPENED.

Turning to our own immediate affairs, it will be noted from the report that several small branches have been opened. We have reason to expect that these will very quickly become self-sustaining, with perhaps the exception of the one at Peace River, which has more the character of a pioneer post, but from which eventually good results are anticipated.

We have also secured properties at, it is thought, reasonable values, in Vancouver, Windsor, and the corner of King street and Spadina avenue, Toronto. Two of these are yielding revenue, where it is expected, we will erect our own offices when the opportune time arrives.

In Aurora the business of J. M. Walter and Co., private bankers, has been purchased, with an improved effect on our business at that point.

I am sure you will approve of the further subscription to the Patriotic Fund referred to in the Report, and which will be paid our during this year.

I am sorry that our senior director, Mr. Ramsay, is not with us this year. It is the first time he has missed this meeting within my recollection. While recently ill, he writes that he is now quite fit, but that the sailings of steamships for America are so uncertain that he decided not to venture. Dr. Merritt is still attending to his military hospital duties in England, and is in consequence absent.

A very large number of our staff have enlisted and gone overseas (Mr. Hay will give you particulars) and a large number of them, I regret to say, will not return. It has again been a hard, self-sacrificing year for those remaining, and I once more am glad to bear testimony to their loyalty and zeal.

I beg to move the adoption of the Report, and will ask Mr. Rogers to second the motion.

VICE-PRESIDENT'S ADDRESS.

In seconding the adoption of the report there is no occasion for me to refer to the statement as the figures shown speak eloquently for themselves, and our long experienced General Manager will, no doubt, explain any details you may wish to know which may not have been covered by the report itself, or by the President's address.

I think I am naturally inclined to be cautious. Perhaps that is owing to my early training on the farm, where all the bad horses about the place were given me to break in. I have ridden all kinds from the worst broncho of the West to some of the most tricky thoroughbreds of the East, and although I have had some tumbles, that and other experiences must have developed a sense of caution which I have found valuable in business. At the same time the experiences I have passed through have given me freedom from any sense of fear, or else I was born that way, I have no criticism to offer regarding what the President has said, but at the same time I want to say I

have the fullest confidence that not only will this worst of all catastrophes ever known end in victory for the Allies, but that the peoples of the world will come out of it much better, as gold tried in the fire, and that this Canada of ours, also this Bank, will have a great future.

FARMS SOURCES OF WEALTH.

The farm is the chief source of wealth. We have now three trans-continental railways with branches running through thousands of miles of the very best undeveloped agricultural land in the world. In the natural course of things, these must attract immigration. The products of the farm are now commanding the highest prices ever known, and in my opinion even after the end of the war, high prices for foodstuffs must continue to prevail. With the mechanical appliances now available for farm work, the farmer needs no considerable supply of extra capital, but should be helped to the extent needed upon good security. The food supply of the world is short, the demand is likely to increase rather than decrease. Development of mines, extension of factories and the reconstruction of devastated Europe must all call for food supplies for the workers. On the whole, the farmer has been helped rather than hurt by this war, and will continue to be so, at least for a long time to come.

Great changes must necessarily take place as the aftermath of the war, and in the meantime there can be no question as to the wisdom of economy in all directions. One common factor will enter into any adjustment after peace has been concluded, and that is the relation of the supply of capital, to its demand, and the supply of labor working in harmony with capital. Capital and labor are dependent on each other. The tendency in modern times, unfortunately, has been for capital to use labor too much as a machine.

CAPITAL AND LABOR.

In my opinion it would be in the interests of all concerned for capital, which is essential to the development of all enterprises, to take labor, which is equally essential, into its full confidence, each receiving a fair return for that which it gives. Capital is necessary in connection with banking, but apart from that banking is simply a system of credit. Mr. Henry Dunning McLeod, one of the highest authorities on credit, says: "A solid system of credit, by which I mean credits on debts which are punctually redeemed at maturity, is the most ingenious and powerful method ever devised by the ingenuity of man for promoting and developing national wealth." Daniel Webster says: "Credit has done more a thousand times to enrich nations than all the mines of the world." To obtain credit there must or should be, the ability to pay, and the honest intention to pay. The credit of Canada is good, and although the load of debt is growing heavier every day in this, as in every other belligerent country, we must all admit that its financial problems have been wisely handled, and I trust that its credit will continue to grow still stronger with the progress of time.

The Imperial Bank has long been one of the leading banking institutions of Canada, and for its continued successful growth the highest praise is due to its efficient staff. The Board of Directors is necessary to direct the general policy of a Bank, but the responsibility of the real work rests upon the management and official staff.

I have much pleasure in seconding the adoption of the Report.

GENERAL MANAGER'S REMARKS.

As requested by the President, I have pleasure in pointing out and commenting upon the special features of the balance sheet now presented to you.

While our actual cash holdings of \$22,204,696.91 are only very slightly in excess of the amount held a year ago, you will note a material increase from \$10,751,581.96 to \$14,866,892.57 in our "Second Line Reserve," which includes Dominion, Provincial and British Government securities, and which are readily convertible into cash. This increase is represented very largely by short term Government loans for the purchase of munitions and other war supplies.

Balances maintained in foreign countries have decreased during the year from \$6,352,289.15 to \$1,858,167.68. In view of the very large demands of our borrowing customers and the fact that we are able to keep our funds well employed at home we have reduced our balances abroad by the substantial figure indicated, about \$4,500,000.

Municipal Loans show a decrease during the year of practically \$2,000,000, which is accounted for by the practise of eco-

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