

Canada Stands Prepared To Continue Full Assistance

BANK OF MONTREAL Annual Meeting marked by striking references to part played by Dominion and lays down policy for Country's guidance. Campaign of thrift strongly urged. Shareholders compliment Sir Vincent Meredith on honor conferred. Bank's record at the Front.

FROM OUR OWN CORRESPONDENT

MONTREAL.—Seldom, if ever, has the meeting of any Bank in Canada evoked the enthusiasm manifested at the annual gathering of the shareholders of the Bank of Montreal. The references made by Sir Vincent Meredith and Sir Frederick Williams-Taylor to the part that the Dominion was playing in the great war were spontaneously approved by the many shareholders present and at times the gathering almost took on some of the aspects of a patriotic meeting.

The addresses submitted covered the more important features of the special conditions that prevail in Canada at the present time and laid particular stress on the care that should be taken to be prepared for any possible developments that might arise.

A very cordial demonstration was given by the shareholders when Mr. Yule, on their behalf, asked to be allowed to especially compliment Sir Vincent Meredith on the great honor which had been conferred upon him during the course of the past year in being created a Baronet. Mr. Yule pointed out that this was regarded by the shareholders not as an honor to Sir Vincent alone, but to the Bank as well and the honor conferred was alike popular with the shareholders and the public generally.

The vacancies on the Board of Directors were filled by the election of Captain Herbert Molson, of Montreal, and Mr. Harold Kennedy, of Quebec.

At the first meeting of the Board of Directors, Sir Vincent Meredith was re-elected President and the appointment was made of Mr. C. B. Gordon, President of the Dominion Textile Co., to the office of Vice-President.

Sir Vincent Meredith, Bart., expressed a confidence in Canada's ability to solve her future problems that is most assuring. He said:—

"Canada is bearing up magnificently under the strain of this world wide war and her sacrifices will be amply repaid by the engendering of a spirit of self-reliance and she will emerge a comparatively little known country to take her rightful position in the affairs of the nations."

"The future is beset with new problems and is not entirely free from financial anxieties, but by a young people possessing great national spirit, a territorial empire and unrivalled natural resources, the future can be looked forward to with hope and confidence."

Sir Frederick Williams-Taylor, as a Banker, took the view that it is well to be forewarned in order to be forearmed and touched on some of the situations that must be appreciated. He says:—

"Canada as a whole will pay and is paying already in hard cash, reflected in a formidable national debt and in a great public debt per capita. We are also paying in that most precious of all treasures, the blood of the manhood of our country. So far the cost to us of the war is 14,000 lives plus 45,000 casualties, and in money \$354,000,000."

Regarding the Bank's contribution to the overseas cause, Sir Frederick said:—

"As for the Bank of Montreal Contingent with the Colors, I have no words sufficiently eloquent wherewith to fully express our pride in their achievements, our grief in their losses. 48% of our total male staff, or 67% of those of military age, have enlisted; 31 of our best have been killed and 167 are wounded, missing or prisoners of war. Several of our men have been decorated by the King for conspicuous valor and the whole contingent is illustrious."

Sir Vincent Meredith, Bart., President, in referring to the principal developments of the year and the plans that should be laid to cope with them, said in part:—

"I hoped when I last had the pleasure of addressing you that before this Annual Meeting the end of the cruel and devastating war which has convulsed Europe would be, if not reached, at least within measurable distance. In this expectation we have been disappointed. No one can yet fix the day of its termination, but I am sure I express your feelings when I say we hold an unshaken confidence of the ultimate victory of Britain and her Allies."

"Canada, inspired by a deep-rooted loyalty to the Empire, has given and is still prepared to give freely her gallant youth and monetary means to the great cause, upon the success of which her liberties and national existence so greatly depend."

"The year has again been one of considerable anxiety to all those engaged in financial affairs. Our profits have been curtailed by payments of Government taxes at home and abroad, while earnings on loans in Canada have been affected by reduced borrowings on the part of our customers. It is not, however, an unfavorable feature that the prosperity of large manufacturing industries and business in general has produced a curtailment of Bank loans and converted borrowers into depositors. The low rates of interest on that portion of our reserves carried in New York have also been a contributing factor to diminished earnings compared with those antecedent to the war. But despite these disabilities we have been able, after making what we believe to be full provision for bad and doubtful debts, to pay our usual dividend with the customary bonus and to carry a balance to credit of profit and loss account. I trust, therefore, that under the circumstances you will consider the results of the banking year satisfactory."

"As the result of the phenomenal crop of a year ago, coupled with vast expenditures by the Allied Governments in this country for munitions and by our own Government for requirements in connection with the war, high wages are being paid for all classes of labor and trade conditions at the moment in Canada are buoyant in nearly all lines of business. The few exceptions will, generally speaking, be found in industries concerned with the production and sale of luxuries."

"Owing to unusual adverse climatic conditions and decreased acreage, the yield of wheat this season will probably not exceed in quantity in the North-West one half of last year's bountiful crop and will fall somewhat below the average in the older provinces; but the farmers will be largely compensated for the diminished yield by the high prices being paid for grain and all other farm products. Estimates this season are, as is usual, conflicting, but those believed to be most reliable give a wheat crop for the three North-West Provinces of 160,000,000 to 175,000,000 bushels, and for all Canada, 185,000,000 to 200,000,000 bushels, and it is not improbable it may exceed those figures. Were it not for the fact that our shipments of grain to Great Britain will probably be curtailed by a shortage of ocean tonnage, the results might be looked upon as not unfavorable on the whole."

"In this connection I may add that the past season has been very propitious for the dairy trade, the production of cheese and butter exceeding all previous records and marketed at unprecedently high prices."

SUCCESS OF DOMESTIC LOANS

"In a little more than a year Canada has issued two Domestic Loans amounting to \$200,000,000, and the Canadian Government has borrowed in New York \$95,000,000. The success of our internal loans is a matter of pride and congratulation. It is due largely to the spirit of loyalty of our people and a determination to all within them to bring the war to an early and successful conclusion."

"So far, a depletion of Bank deposits in consequence of these contributions has not taken place; in fact, they show month by month a gratifying increase. It must not be forgotten, however, that these increases are only partially due to the savings of our people. They may be accounted for to a very considerable extent by the husbanding of resources by our large corporations, a prudent and wise precaution in view of the uncertain conditions which now prevail and will continue to exist during the continuance of the war."

"The Minister of Finance, to whom the country owes much for his wise and far-seeing administration of our financial affairs, will doubtless keep in view these conditions when making further calls on our resources, which of necessity he must do from time to time."

"The net debt of Canada on October 31st last was \$696,000,000, an increase within the year of upwards of \$200,000,000. The war expenditure has now reached \$23,000,000 a month and is increasing. Ere long the public debt of Canada will reach a billion dollars and involve an interest charge of not less than \$45,000,000 annually. While it is true that through adventitious circumstances public revenue has increased during the last year or two, no dependence can be placed on the continuance of this buoyancy, so that we will have to face a heavy interest charge on account of public debt, and a resulting taxation."

"It is obvious, therefore, that if Canada is to escape the disability of being made a dear country to live in, the strictest economy in Government expenditures will have to be practiced and all demands for public aid involving new burdens be held severely in check."

Your Questions Answered

THRESHING BY THE HOUR

Q.—7. A thrasher with ten stock teams charges \$20 an hour to thresh. After a snow storm he commences threshing with seven stock teams. Can he collect \$70 an hour for threshing with seven teams?

A.—No. A thrasher charges \$20 an hour moving from granary to granary. If while moving the engine gets stuck in a wet place for an hour or so has farmer to pay the \$20 an hour during the time they are stuck.

H. E. Y. Stark.

A.—1. If the shortage of teams affected the quantity of grain that might

be threshed, then thrasher will not be able to collect full sum of \$20.00 per hour but must accept a reasonable price for the work done.

2. Loss of time thru being stuck in wet place would not be contemplated before threshing so we are of opinion court would not allow thrasher for time so lost.

CHAIRMAN'S PRIVILEGES

Q.—Has the reeve of the municipality or chairman of any business meeting the privilege of making or seconding motions?

A.—No presiding officer at a meet-

OUTLOOK FOR POST WAR PERIOD

"And now, as my remarks draw to a close, I am tempted, contrary to my usual practice and unrestrained by the old adage, 'Never prophesy unless you know,' to look into the future. The thoughts of many men are turned towards the problems that will confront us after the war. Government Commissioners are dealing with them; the press devotes much space to their discussion; international conferences have met, but our first, obvious and imperative duty is to WIN THE WAR."

"When that is done, new conditions will unquestionably supervene. It seems probable that for some months to come orders for munitions and war supplies will continue to keep our industrial plants actively employed."

"A temporary check in business generally may be looked for when peace is in sight, but I do not anticipate that any lengthened cessation of our commercial and industrial activities will immediately ensue. The period of reconstruction will probably not be accomplished for several months, and during this time Europe should provide a market for all we can produce, and new markets, perhaps, will be opened up as which we have never yet been able to reach."

"These countries, however, will be 'beating their swords into ploughshares,' straining their energies to the conversion of munition plants into factories for the production of goods for both home and foreign trade in the effort to regain their former markets, to liquidate foreign debts and to recover the gold of which by necessity they have been temporarily deprived."

"When this rehabilitation has been effected, we in Canada must be prepared to meet in our own markets the keen competition of foreign goods. To cope successfully with this competition, expenditures on capital account should be avoided as far as possible and resources conserved. Efficiency, efficiency, efficiency must be our watchword, conjoined with economy in all walks of life."

"Canada is bearing up magnificently under the strain of this world wide war, and her sacrifices will be amply repaid by the engendering of a spirit of self-reliance and she will emerge a comparatively little known country to take her rightful position in the affairs of the nations."

"The future, as I have said, is beset with new problems and is not entirely free from financial anxieties, but by a young people possessing great national spirit, a territorial Empire and unrivalled natural resources, the future can be looked forward to with hope and confidence."

GENERAL MANAGER'S ADDRESS

Sir Frederick Williams-Taylor, the General Manager, dwelt especially with the main features of the changes in the Bank's business during the course of the year and the manner in which Canada's adverse trade balance had disappeared as though by magic. Sir Frederick said in part:—

"The outstanding business feature in Canada is an industrial condition more abnormal in character than ever before in the history of this Bank, or of this country."

"The same statement applies in a greater or lesser degree to several belligerent and neutral countries, but in Canada economic conditions as well are in an unnatural state. This is partly due to the war, also a result of suspended immigration and of a lengthy period of an extravagance of which we are now feeling the cumulative effect."

"Canada sold her record crop of last year at high prices, as in the years of the American Civil War, while this year we are disposing of a moderate crop at such steadily mounting prices that we again reap a golden harvest about equal in amount to that of 1915. The total value of last year's crop was \$799,000,000."

"Our much criticised adverse trade balance has disappeared as though by magic, and our exports are now vastly in excess of our imports."

	1914	1915	1916
Exports for year ended 31st October	\$459,300,000	\$550,500,000	\$1,172,700,000
Imports for year ended 31st October	514,600,000	421,700,000	716,900,000
Total trade for year ended 31st October	\$973,900,000	\$972,200,000	\$1,889,600,000

"Many of our great industries have converted big floating debts, a cause of anxiety, into cash surpluses. As a natural outcome, our stock markets are booming. Not only is unemployment unknown, but unskilled labor commands wages two and a half times greater than the pay of our volunteer citizen soldiers, who so splendidly risk their lives for their country, while men engaged in 'factory piece work' can earn as much as a college professor. It is, therefore, not surprising that the unanalytical minded, or those preoccupied with their own affairs, are those who have not contributed in flesh and blood to the cause, should complacently say, 'Times are good.'"

"Among those who do not join in this refrain are the men and women of the salaried class and those with small fixed incomes. These have been hard hit by war prices and are indeed finding it difficult to make both ends meet."

NOTE OF CAUTION SOUNDED

"The transient nature of our increased exports alone is a simple index to a situation that commands the attention of all thinking people."

"These views may not be acceptable to all, but they are common sense and based upon arithmetical facts. To be forewarned is to be forearmed."

"These are the main factors that have influenced and will influence the banking position—the movement in deposits and loans and the safety of both. Therefore, in my opinion, the business of this Bank should be conducted with such views plainly before us until the situation clears."

"There are two obvious means of lightening Canada's coming burden, viz., thrift and immigration. The two are closely allied, for only by practicing national and personal economy or thrift can we reduce our high cost of living—that most effective barrier to immigration. Upon immigration we mainly depend for the fuller development of our unsurpassed natural resources."

"Thrift is overdue, but can be started forthwith; immigration must wait, but should follow in natural sequence. I have no words at my command with which to adequately urge the necessity of an organized and an individual effort to promote thrift."

"The timely and eloquent 'Call to Action' of our Minister of Trade and Commerce commands attention. I am not sure that it should not be preceded by a 'Call to Reason,' in order that the importance of the problems of the situation be impressed upon those who are living in, let us say, the paradise of the unwise."

"Sane optimism and self-confidence are admirable national qualities and should be the order of the day. There is a point where optimism loses its value and the danger of over-confidence begins. That is the point for nations to avoid."

BANK HELPING LONDON MARKET

Sir Frederick drew attention to the important position occupied by the Bank now in the London market. In this connection he said:—

"It is not out of place to mention here that this Bank is among the important and appreciated lenders of short money in the London market, and though it is not for us to take praise for this, yet the fact is not to be lost sight of when weighing Canada's assistance to the Empire in this war."

"In this connection I may say that as a borrowing centre London remains closed to the Dominion except for such loans as our Government effect from the Imperial Government for war purposes. On the other hand, some of our Provincial Governments and several municipalities have re-purchased largely their outstanding long-dated London loans and refocused them in New York, thus helping the sterling exchange situation. The obligation also has profited through reduction in capital debt."

"The help that can in this way be rendered to Great Britain in maintaining the value of the pound sterling is in itself sufficient reason why all our public bodies with loans abroad in London should give this matter their loyal and early attention."

Sir Frederick in conclusion laid before the meeting a summary of the Bank's conditions that prevailed in the various provinces of the Dominion.

ing is entitled to make or second motions. His duty is merely to conduct the business of the meeting in proper order but not to take any part in the transaction of the business.

DEFACING NOTE

Q.—A gave note to B for \$100 due November 1 at the rate of 2 per cent. interest until paid. This note was not paid until November 2. When A received his note B had written on the note "and ten per cent. per annum after maturity until paid." A has another man to prove that there was no such thing written on the

note when A signed it, and C also claims that when he signed as a witness there were no such words on it. Has B made himself liable or committed himself by transcribing with this note after A signed and left?—J. A. C., Man.

A.—If change was made in note with intent to fraud it amounts to forgery, but in any event it would render the note void so that it could not be transferred or sued upon. This fact would not affect the right to recover its amount, however, as money owing if a debt really existed between the parties.