

BANK OF MONTREAL—101st Annual General Meeting.

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restraint may be placed on intending emigrants by their home Governments for some time to come. Notwithstanding this, however, I feel Canada will attract and receive a very considerable immigration in the not distant future.

Preparing for Post-Bellum Period

Already much preparatory work of practical value to meet post-bellum requirements has been undertaken by other countries, and with wise foresight, the organization of strong central bodies, equipped with large powers, has been encouraged, to link up the great manufacturing industries, the promotion of scientific and industrial research and the employment of a competent intelligence Staff to seek out new markets abroad.

We in Canada have embarked on a shipbuilding programme of considerable magnitude, first important step in preparedness if operated on business lines, as I feel sure it will be, the capital expenditure will be amply justified. The action taken by our Government in appointing a Trade Commission to provide employment for increased tonnage that will soon be available, and to secure for Canada a full share of the large and urgent demands of the devastated countries for reconstruction and replacement purposes as well as for food stuffs, is a further step in preparedness, and is to be commended.

We shall undoubtedly for some years have to pay in relatively high taxation the price of our devotion and patriotism, but I am confident this will be done uncomplainingly, in the belief that all present and prospective difficulties can and will be overcome.

The General Manager's Address.

Sir Frederick Williams-Taylor, the General-Manager of the Bank, said in part:—

The ease with which financial Canada has met the stress of war conditions has been favourably commented upon abroad. At home one hears no expression of surprise at the stable financial conditions in the Dominion.

The real basis of that stability is a banking system that has proved most efficient in peace times and, with the facilities accorded by the Minister of Finance, has withstood the severe test of war times. The system as it stands is, without doubt, adequate to meet any possible demands arising during the reconstruction period and for year's thereafter.

The public, long accustomed to banking stability, now accept it as a matter of course. The strong liquid position of your own bank has been an important factor in the situation.

It is quite possible that the economic and financial problems of the next few years will be more difficult to surmount than those we have faced of late.

The anticipated disturbance in bank deposits resulting from domestic Government war loans has subsided, as was to be expected. Seeing that the proceeds of such loans remain in the country, the money, of necessity, finds its ultimate way back to the banks through one channel or another; and, therefore, the loanable capital of the banks is, in the long run, undiminished. On the other hand, the strength of a banker's position lies largely in his command of numerous small deposits. The volume of deposits has increased by many millions, but the number has not grown proportionately. Our

own deposits are now \$469,727,811.96, as compared with \$350,795,390.72 a year ago. This sum includes \$58,950,000 Bank of British North America money. As usual, we have certain large deposits of special character. The increase in our savings deposits is reasonably satisfactory.

As regards profits, an impression exists that these war years have been unusually fruitful for the banks. The reply is that when adequate provision has been made for unknown future rates of taxation in Canada and elsewhere, for the increased cost of administration, for heavy depreciation in even the most gilt-edged securities, it may be stated without reservation that the net results are none too ample for safety. I would emphasize another point, viz., that while the cost of everything else has risen, the public have paid no higher rates of interest for having banking accommodation than before the war.

The banks of Canada as a whole have out on loan to the merchants, manufacturers and private individuals of this country, secured and unsecured, on business paper and by way of accommodation, \$1,003,593,000. This great sum represents the extent to which the banks may be described as financing Canada's domestic and foreign trade. The amount is apart from \$73,685,136 loaned by the banks on call to brokers.

Helping Expansion of Canada.

With the acquisition of the Bank of British North America we are now the custodians of \$558,413,546.12, of which \$34,468,283.72 belongs to you as shareholders and \$523,945,262.40 is entrusted to our care by the public. It is worthy of note that this Bank's total assets are now as great as were the combined total assets of all the Canadian Chartered banks seventeen years ago. Thirty-four banks were in operation then as compared with nineteen at this date. You may be confident that we have a proper appreciation of the responsibility involved in using this great sum of money. We keep ever before us our duty to our depositors and to the shareholders. At the same time the Bank has a further duty, national in nature, in financing established business and in fostering the young industries of the Dominion; in loaning capital for all legitimate enterprise from the small farmer and live-stock breeder to the great packing and milling industries; from the small trader to the great merchant and manufacturer. Governments, cities, railways and public bodies look to us for temporary financial aid. For these various purposes our power is greater than ever before, and the Bank has never been in a stronger, more elastic position.

There have been fewer commercial failures in Canada than for many years. The number in 1918 was 905, as compared with 1,172 in 1917 and 1,669 in 1913.

Our note circulation has risen to the great height of \$42,082,209.08, or \$12,774,123 more than last year. Present figures naturally include Bank of British North America circulation. The total bank circulation in Canada for the same periods were \$227,597,808 and \$189,852,907 respectively. We look for a rapid post bellum reduction from the abnormal heights caused by high prices and business activity largely of a war nature.

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