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THE CANADIAN BANK OF COMMERCE.

Sir Edmund Walker's address at the Canadian Bank of Commerce annual meeting this week, naturally concerned itself mainly with those financial and economic developments of national importance which have arisen in Canada as a result of the war. Marked by that easy and lucid diction which is always a feature of the distinguished banker's utterances, this year's address is notable also for a spirit of intense earnestness, which makes it singularly impressive. Sir Edmund sees clearly enough the critical character of the present times—critical in spite of the widely-spread prosperity in Canada—and the paramount necessity of moulding every individual and collective effort to the one purpose of winning the war. The statesmanlike breadth of the speaker's vision is evident in his remark that Canada has so enlarged her sphere of action during the last year that "only the blind could fail to see that every detail of our national life which aids or hinders our power to serve in the great conflict is of supreme importance." The conception that the only method of service in war is by enlistment has been outgrown, and it has become obvious that back of the men in the trenches must be not only an army of munition workers, but the whole nation engaged in production and in saving, in order that victory may be achieved.

PRODUCTION AND THRIFT.

Sir Edmund naturally laid great stress on production and thrift, and emphasised the relation of the latter to the matter of the supply of munitions on credit. He mentioned the interesting fact that the banks have agreed to grant a credit of \$100,000,000 to the Imperial Government for the purchase of munitions during 1917, but, he warned his audience that if Canada is to execute the orders for war supplies which will be offered and which it is our duty to undertake in order to aid in ensuring victory we must be prepared to do much more than heretofore. "The manufacturers of the United States will make war supplies for money. We are doing better only if we supply them on credit." Sir Edmund vigorously emphasised the necessity of using force to curtail extravagance if voluntary means fail (as they are apparently failing), and mentioned in this connection the prohibition or heavy penalisation of all imports of luxuries, the further curtailment of municipal expenditures and the legal restraint of expenditures

on food. "Do we realize," he said, that what we do or do not do, may turn the scale on which depends victory or defeat? Our responsibility for the future of the Empire and of Canada is so great that there is no room for slackness. We must do, not many things, but everything that will help to win the war."

OUTPUT OF WAR SUPPLIES.

An interesting section of the address dealt with the extent of the output of war supplies in Canada. The figures given by the speaker in this connection, are almost surprisingly large. Total disbursements made by the Imperial Munitions Board in Canada during 1916 approximated \$320,000,000, and indications point to the business of 1917 being even larger. In Canada and Newfoundland, 600 factories are working night and day on munitions for the British Government. Purchases by the Department of Agriculture for grain, foodstuffs and flour on behalf of the British Government have totalled \$37,500,000. Many millions—including \$20,000,000 on foodstuffs—have also been expended by the British war office purchasing department at Montreal. Additionally to these are the expenditures on the Canadian armies, of which no exact figures are available, but which certainly run into the hundreds of millions. Canada has, in fact, been able to produce nearly everything required by our armies, the exceptions being binoculars, machine guns, revolvers, motor trucks and some less important articles. Our responsibilities at the present time are proportionate to our capacity.

THE BANK'S YEAR.

We have already referred to the annual statement recently issued by the Bank. Profits are reported as \$2,439,415, against \$2,352,036 and equivalent to 8.5 per cent. upon the paid-up capital and rest, compared with 8.3 per cent. in 1915. A balance of \$461,892 brought forward on profit and loss account makes the total available \$2,901,307. Of this total, the 10 per cent. dividend and 2 per cent. bonus absorb \$1,800,000; war-tax on note circulation, \$147,288; the annual contribution to the pension fund, \$80,000; patriotic and philanthropic subscriptions, \$71,700, the largely increased balance of \$802,319 being carried forward. The following are the leading figures of the present balance sheet in comparison with those of the previous year:—

	1916.	1915.
Circulation.....	\$ 19,259,348	\$ 16,397,908
Deposits (not bearing interest).....	62,484,072	52,964,795
Deposits (bearing interest).....	167,412,080	141,558,283
Total Liabilities to Public.....	258,598,177	220,932,234
Specie and Legals.....	40,291,006	39,901,993
Central Gold Reserve.....	6,000,000
Bank Balances Abroad.....	7,201,798	6,319,808
Call Loans Abroad.....	21,141,336	18,534,329
Call Loans in Canada.....	14,725,133	12,847,521
Securities held.....	27,875,335	13,356,014
Total of Quick Assets.....	129,341,420	101,173,358
Current Loans and Discounts.....	150,242,549	140,920,867
Total Assets.....	288,427,580	250,421,840

In his address commenting upon the report, Mr. John Aird, the Bank's general manager, pointed out that under present circumstances it is necessary to give more consideration to the factor of safety than to the factor of profit. Apart from this, however, the growth in profits during last year was not commensurate with growth in turnover, the general tendency in the rates of banking profits for several years past having been downwards. Mr. Aird also drew attention to the fact that the Bank's participation in war financing had not prejudiced the assistance rendered