

Outlook for Canadian Trade and Commerce

"The economic and financial difficulties that confronted the country during the war have changed in nature, but have not disappeared by any means. There is an aftermath of problems which Canada must face and in which bankers are vitally concerned. At present there is great trade activity; yet our national debt grows apace, with attendant ills. Therefore, even with a full measure of faith in our country, I find the near future difficult to visualize. We derive a measure of consolation in comparing our lot with that of countries worse off than our own, but contiguity and ambition direct our eyes towards that country to the South which has benefited so vastly by the war.

Exchange Situation.

"The premium on New York funds, the increase in our national debt and in our Canadian currency circulation, are matters of deep interest and should be studied by all.

"The purchasing power of the Canadian dollar in the United States has decreased, as reflected in the premium on New York funds. A year ago it cost two dollars to send one hundred dollars to the United States of America; today the cost is four dollars.

"Exchange is now a subject, which as an English authority states, 'insists on bringing itself to the attention of all kinds of people who hitherto regarded it as a sort of mysterious cryptogram with which they had no practical connection.' In elementary terms, more money continues to flow out of Canada than comes in, thus creating a net balance against us after taking all transactions into account. New York being our natural clearing house for transactions with Great Britain and the rest of the world, it is clear

that the present extraordinary cost of sending money to the United States would not exist but for the fact that we cannot spare the gold with which to pay the net balance in question against this country, while, in common with all countries, our legal tenders are naturally not current abroad. We should have precisely the same conditions between our own Provinces, were it not that our legal tenders and bank notes are current throughout the Dominion.

"It will interest you to know that on my recent trip to the Pacific Coast, when I travelled nine thousand miles in visiting various branches of the bank, I met some 110 of our managers, and returned more than ever satisfied with the personnel, the intelligent loyalty and devotion of our ever-increasing staff of officers.

"Such meetings are advantageous to the bank and an inducement also to close relations between the bank and its friends at distant points.

"It is impressive and satisfying to view the Dominion's greatest quick asset, the rich wheat areas of our three Western Provinces, at harvest time. While this year the yield was not up to the mark, the Western farmers had much to be thankful for.

"In British Columbia, one is struck by the confidence of the people in the future of their rich and beautiful province, with its wonderful climate. It is a healthy sign that the men of affairs in the West hold such sane views concerning the outlook locally and for the Dominion at large.

"I hope that time may presently permit me to visit other divisions as I did British Columbia and the Northwest.

"In concluding, I have no hesitation in expressing the belief that the affairs of the bank have never been in a healthier state. Our domestic business is expanding satisfactorily, our foreign branches and connections have been adequately extended to meet the development of the country's

trade, and, what is more important, we are well equipped in point of staff. Altogether, I feel that we are well prepared to meet any conditions and contingencies that may arise.

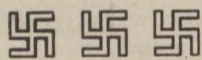
Overseas Record.

"The record of the staff of the bank overseas showed that 1,405 members of the staff had served with the colors. Of this number 1,182 had survived, of whom 663 have already been reinstated. Of the total who joined it was Sir Frederick's sad duty to record the fact that 223, or 16 per cent, gave their lives for their country. In paying tribute to them, Sir Frederick said:—

"No words of tongue or pen can fully express our pride in, or our admiration for, these gallant young crusaders. It must suffice to say that their names are not merely written in the records of this bank and in the history of the Empire they served so well, but live on far away, woven into the fabric of other men's lives. Such dead are honored with unchallenged admiration."

Brazil's Trade Largest Since 1914.

According to a recent report the total imports into Brazil during 1918 were the largest since the war began. Since 1914 the United States has had a larger share of the trade of Brazil than any other country, although the difference was not so marked during 1918 as during 1917. Imports from Japan show a very healthy increase, and according to present indications its trade will be far greater in 1919 than in any previous year. The Japanese appear to be studying the market in a most careful manner, and it seems are able to supply certain small articles of merchandise at an exceedingly low figure which were formerly received from Germany. The increase in value of goods from Argentina and Uruguay during the war period is also of interest.



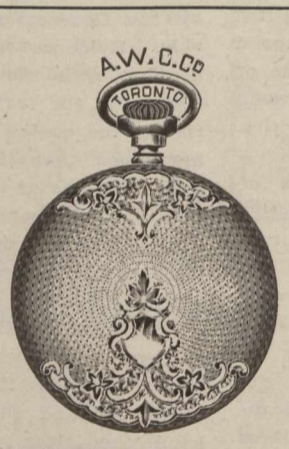
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