

HOME BANK OF CANADA—Continued.

ADDRESS OF THE PRESIDENT.

The net profits for the year are \$192,442.72, being about 10% on the average Paid-up Capital, which may, I consider, be deemed satisfactory, in view of the unsettled conditions which prevailed during the whole of the fiscal year. The \$40,000 set aside, as intimated at the last Annual Meeting, to be written off Bank Premises and Furniture Account, has been applied, together with an additional \$25,000 from this year's profits. Last year the Shareholders were good enough to vote a contribution of \$10,000 as a nucleus for a Pension Fund; this has now been appropriated and the Fund inaugurated with the current year.

Before commenting on any changes in the Balance Sheet, I may say that the financial forecast made a year ago has more or less been justified. Conditions have altered so little that one prefers not to hazard any decided opinion as to when the expected improvement may come.

While our deposits for the past year show a reduction in actual figures—and we are not alone in this—I may say that it is all accounted for by the expected withdrawal of some large temporary deposits in Current Account which were in our hands at the 31st May, 1913, the date of the last Statement presented to you. On the other hand, the number of accounts on our books has largely increased, and the amount of deposits in the Savings Bank Department shows a satisfactory gain.

INCREASED SAVINGS DEPOSITS.

In common with most of the other Banks, our note circulation shows a reduction. This may be attributed to various causes, the most important of which was the early marketing of the grain crops in the Northwest. For some years past we have looked to our grain business in the West to utilize a large part of our circulation, and on the first time since this connection was formed we encountered conditions that may not soon again occur.

The weather last year was particularly favorable to the harvesting and marketing of the crop, so that a larger proportion was handled before the close of navigation than in any previous season of recent years. In addition, owing to the general financial conditions which prevailed during the latter part of 1913, considerable pressure was brought to bear by creditors upon farmers for the early payment of their obligations. This resulted in a larger percentage than formerly of grain going forward, with instructions to sell. As a result, circulation paid to farmers showed a decided falling off immediately after the close of navigation, and the figures for the succeeding months—December to March—record a continued redemption of Bank notes without the usual opportunity for the issue from the marketing of grain through the winter months. The reduction from the high point in November, 1913, to the figures on the 31st March, 1914, amounted to over \$900,000, while in former years the average reduction for the same period was approximately \$200,000. The smaller volume of business transacted in Canada also had its effect on circulation. Merchants and manufacturers did not transact as much business as during the previous year. Railway earnings from the 1st of July, 1913, to May 31st, 1914, showed a decrease of over ten million dollars. The consequent shrinkage in circulation is mainly attributed to these principal causes, but I may say that we are making arrangements which should not in future leave us dependent upon any one source to maintain our circulation at a high level.

THE NEEDS OF THE WEST.

Mr. John Kennedy, of Winnipeg, one of the Western Directors of the Home Bank, and also a Director of the

Grain-growers' Grain Company, spoke upon the financial conditions in the West, and made a strong appeal, directed not only to the management of the Home Bank, but to Canadian banks in general, calling attention to the urgent need for establishing methods whereby farmers in the West might secure an advance of 50 per cent. on their grain, so that they would not be under the necessity of rushing it into the world's market in vast quantities in order to secure ready funds with which to pay their debts and maintain their farms. He quoted authoritative statistics, proving that 75 per cent. of last year's grain crop in the Northwest was dumped into the market in three months, causing the price to drop 7 cents per bushel.

"When I state that last fall showed the clearest truth of this, I do not do so without having figures to prove that this was the case," said Mr. Kennedy. "You will find that number one northern wheat, about the beginning of last September, was worth about 88 cents in store in Fort William or Port Arthur, but by the middle of October, owing to the tremendous receipts, prices had fallen to about 78 cents, a drop of 10 cents a bushel, while world wheat conditions did not warrant any such decline."

ADVANCES ON GRAIN.

Mr. Kennedy proposed as a remedy for this condition that the Banks advance to farmers in the Northwest loans to the value of 50 per cent. upon the grain stored in their barns. This plan for relief would necessitate the adoption of some cheap and safe method of storage, so that the bank's security would be safe. He did not think that lending money in this way would require the issue of any additional capital, or necessitate a change in the established methods of finance, and the accommodation would save several millions of dollars a year to the country. The adoption of mixed farming he did not consider would give immediate relief. "The farmers are getting into mixed farming," Mr. Kennedy declared, "just as fast as they can afford to do so, and just as fast as it is good for them to do so, therefore of necessity for years to come wheat growing will be the mainstay of the West."

In conclusion, Mr. Kennedy assured the meeting that the "Home Bank" had become a household word in thousands of western homes.

APPOINTMENT OF AUDITOR.

The Chairman reported that in accordance with the provisions of Section No. 56 of the Bank Act, notice had been sent to the Shareholders that the Honorable Alexander McCall had given written notice of intention to nominate at the Annual General Meeting of the Home Bank of Canada Mr. Sydney H. Jones of Toronto as Auditor.

It was then moved by the Hon. Alex. McCall, and seconded by Dr. J. A. Todd:—That Mr. Sydney H. Jones be and is hereby appointed Auditor of the Bank, to hold office until the next Annual General Meeting, at a remuneration not to exceed \$2,000.

ELECTION OF DIRECTORS.

The scrutineers declared the following gentlemen duly elected Directors for the ensuing year:—

Messrs. Thomas A. Crerar, Thomas Flynn, E. G. Gooderham, John Kennedy, A. Claude Macdonell, K.C., M.P., Col. the Hon. James Mason, C. B. McNaught, John Perse.

At a subsequent meeting of the new Board, held immediately after the adjournment of the General Meeting, Colonel the Honorable James Mason was re-elected President, and Mr. Thos. Flynn was re-elected Vice-President of the Bank.

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