

THE CANADIAN BANK OF COMMERCE.

The annual address of Sir Edmund Walker at the meeting on Tuesday of the shareholders of the Canadian Bank of Commerce will be read and studied perhaps this year with even keener interest than usual by all who are interested in Canada's economic position and prospects and all who wish to keep *au courant* with the trend of affairs throughout the Dominion. The impression that a sane and healthy confidence is justified at the present time and that business men may go forward in a spirit of sober optimism, if also with caution, may be derived from it. The wise words in which Sir Edmund urged the necessity of intelligent economy and efficient production at the present time deserve not only a Dominion wide circulation, but careful heed by every class of the community.

"Probably of great economic importance," he said, "will be the result of the wave of economy which has swept over Canada, mainly an enforced economy, but affecting all alike whether incomes are reduced or not. The effect of the careful use of food alone, the realization of the value of a bit of unused land as a garden plot, the little or great increase in production of almost every farm in Canada, east or west, the willingness to wear out old clothes and to put off the purchase of all luxuries—no matter how desirable—the cry for goods "made in Canada," and the slow but gradual realization that every unnecessary import may be a wrong to Canada even if the purchaser himself can afford it—all of these things must, taken together, materially increase our financial ability to bear the strain of the war."

ENCOURAGING FACTS.

The careful chronicle of the sequence of world-wide as well as Canadian economic events, which preceded the outbreak of war forms an exceedingly valuable key to the course of events since that outbreak. It was to a chastened but distinctly hopeful business community in Canada that the rumours of war came at the end of July. That we were already chastened may be accounted a piece of excellent good fortune, for it is certain that otherwise with the pause of London, "the great power house of the world"—an admirable phrase—to consider how the new conditions were to be faced, there would have been a crisis in Canada that would have far exceeded in intensity and ill-effect anything that we have hitherto experienced. As it is we are pulling through in a creditable fashion that should mean a steady deepening of the spirit of confidence in the soundness of the structure of Canadian credit and in the conservative management of our leading banking and financial institutions which should be of inestimable importance to us in the future. Various details of Sir Edmund Walker's speech indicate a soundness of position at present that is thoroughly encouraging. It is perhaps with some satisfaction that THE CHRONICLE notes his opinion that as soon as Great Britain begins to buy any securities other than war-issues, she

will buy ours. The figures given showing the way in which interest on mortgages has been met show a thoroughly sound position. The experience of four large lenders on mortgage, the total principal of whose loans amount to \$60,000,000, is that in the East there is only a very trifling percentage of arrears, while in the West about 92 to 94 per cent. of all interest has been paid either at the moment when due or within three months thereafter. Again, one company owning about fifteen million dollars in Canadian municipal bonds had at the end of the year only three town and three school section bonds, aggregating \$4,500 of principal, in default, and this temporary default had taken place since August, and has no real significance. Such facts, in a sense prosaic and ordinary enough, have at the present time a distinctly cheerful significance.

IMPORTS AND EXPORTS.

Sir Edmund Walker again referred at considerable length to the important subject of our balance of trade, and here again the address is distinctly encouraging in tone.

From this time forward, imports should show a very great decline, while, because of high prices for grain, the carrying out of war contracts for the allied countries, and the general desire to sell all that is available and to buy nothing that is not a necessity, our exports and imports should in the near future more nearly meet than at any time since the early years of this century. This will be a highly creditable accomplishment, showing that without undue pressure we could in two or three years do what our unfriendly critics thought impossible, that is, adjust the very large trade balance against us. Of course, we have still our interest to pay, and this country, in order to meet the most conservative demands for development, must be a borrower for many years to come, but I think we need have no great fear of the future in this respect if we take sufficient care of our credit. During the year 1914, although the markets were only favorable at times, and, since the war, have been practically closed to us, we sold securities abroad amounting to over 225 millions.

THE BANK'S YEAR.

We have already referred to the satisfactory character of the annual statement recently issued by the Canadian Bank of Commerce. The year's net profits ended November 30, are \$2,668,233, as against \$2,992,951 for 1913, and equal to 9.4 per cent. upon the combined paid-up capital and rest. A balance brought forward on profit and loss account of \$384,530 makes the total available on this account \$3,052,763. Of this amount the ten per cent. dividend plus the bonus of 2 per cent. absorbs \$1,800,000; the annual contribution of \$80,000 is made to the pension fund; subscriptions of \$50,000 to the Canadian Patriotic Fund and of \$5,000 to the Canadian Red Cross Society are allocated, and the largely increased balance of \$1,117,763 is carried forward.

The following are the leading figures of the balance