

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.

United States Market.

As soon as Great Britain begins to buy any new securities other than war issues, she will buy ours, and meantime we must hope that the market for our bonds in the United States will continue to grow. We cannot too often draw the attention of that country to the fact that when our foreign trade is analyzed the net debit for the difference between our sales and our purchases is payable to them and not to Europe. If the war prevents London from buying our securities, either the United States must buy them or our great trade with that country must fall away, and the cry of "Made in Canada" would then have even a wider significance than it has to-day. During the year ending March, 1914, again omitting the figures for coin and bullion, we made purchases from the United States to the value of \$409,818,000, and we sold them goods to the value of \$178,282,000, so that with a net excess of imports from all countries of \$179,945,000, the excess in the case of the United States was actually \$231,536,000. Part of this is, of course, offset by the actual cash brought into Canada by settlers from the United States, part by investments made here by Americans, and part by the purchase of our securities, but it has mainly been settled in the past out of the proceeds of our sales of securities in London and on the Continent.

Present Trade Conditions.

It is not possible to forecast the effect of the war upon our economic position, and we must be prepared to meet each new condition as it arises, but we can learn something from the events of the war, and gain courage or caution as a result. The cost of the war to Canada is already arranged for in London, so that no money is being withdrawn from Canadian money markets on that account, and to the extent of 60 per cent., representing that part of the war expenditure which is paid out in Canada, we obtain money in London with which debts abroad can be paid. The war has brought us military contracts and purchases of supplies on account of Great Britain, France and Russia, the amount of which has been estimated at much higher figures, but may safely be placed at about \$30,000,000; our exports are thus increased and a corresponding ability to pay debts abroad created.

War Orders and Business.

One estimate of the result of the war on our foreign trade places the annual value of the imports into Canada, the movement of which is either directly or indirectly affected because of the war, at \$110,000,000. We can gather from this some rough idea of the extent to which our imports will be restricted by inability to obtain the particular articles we desire. It is already clear, however, that reduction will also come from lessened imports, due directly to lessened trade at home. On the other hand, exports will be enlarged in quantity and value by the foreign demand for foodstuffs of all kinds, and already the preparations for next year's crop exceed anything known heretofore. Less noticeable, but probably of great economic importance, 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.

Cumulative Economies.

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. On the other hand, many of our greatest industries are working on short time, or are practically closed down, our railroad earn-

ings speak eloquently of the contraction of business, men are not thinking so much of making money as of conserving their position for better times, unemployment as a problem faces us as rarely before, and the daily newspaper makes it impossible to forget that our material affairs are a secondary consideration while we rest under the vast shadow of the war.

Business Statistics.

The clearing-house returns are, as usual, full of interest. For 1912 we had to record the highest figures reached up to that time in our clearing-houses—\$9,146,236,000, a gain of 23.74 per cent. over the figures of 1911. In 1913 there was still a gain, but one of only 1.27 per cent., and there was a decline in most of the western cities. This year there is a decline in every city except one, the total for Canada being \$8,070,120,000, a reduction of 12.87 per cent. It will be seen, however, that the figures for 1914 are still well in advance of those for 1911.

We continue our figures for the building permits of the four leading cities:—

	1911.	1912.
Montreal	\$14,580,000	\$19,642,000
Toronto	24,374,000	27,401,000
Winnipeg	17,550,000	20,475,000
Vancouver	17,652,000	19,388,000
	1913.	1914.
Montreal	\$27,033,000	\$17,610,126
Toronto	27,038,000	20,672,408
Winnipeg	18,621,000	12,160,950
Vancouver	10,423,000	4,484,476

Immigration has nearly stopped for the time being, except from the United States and the Orient, but, owing to the war, it is impossible to obtain figures showing present conditions. We have, of course, lost for a time a large number of our best people by the despatch of our own contingent, by the return of reservists, and in other ways.

A Hopeful Outlook.

The reports of our superintendents and others on the business conditions in the various areas in which the Bank is interested are, needless to say, of more than usual importance. They range from references to the greatest financial events in the history of the world to the price of the agricultural products of a locality, and they give faithful representations of the various elements working for or against our prosperity. If we consider the awful effects of the war, we can but congratulate ourselves on the manner in which Canada has stood up under the strain and on the spirit shown by her people, while if we look beyond the war, we cannot doubt the ability of this country to carry out every prophecy made as to her future. In connection with the success which has attended our confederation of the North American Provinces in one Dominion of self-governing people, we draw attention to the report of our Newfoundland manager, in which the hope is expressed that the last step contemplated by the Fathers of Confederation is now possible of attainment.

The adoption of the report was then moved by the President, seconded by the Vice-President, and carried unanimously.

Mr. G. A. Morrow: "I desire to move that the retiring auditors, Messrs. T. Harry Webb, C.A., and James Marwick, C.A., be and they are hereby reappointed to hold office until the next annual general meeting, their remuneration not to exceed \$15,000."

This was seconded by Mr. J. K. Macdonald, and carried.

Mr. G. F. Beer then moved: "That the thanks of the meeting are due and are hereby tendered to the President, Vice-President and other Directors for their careful attention to the interests of the Bank during the past twelve months."

"It is with unusual pleasure that I move this resolution. For some months the shareholders have been looking forward with great interest to this meeting. Need I add that the financial statement just presented is not only much more favorable than we had anticipated, but equal to that of normal years, despite the unusual conditions resulting from the war. The shareholders therefore appreciate more than ever the great services rendered by the Board, which have made such a statement possible."

Mr. Alex. Bruce, K.C.: "I have much pleasure in seconding the resolution that has just been moved by Mr. Beer. With the statement that is in our hands and the full explanations that have been given by the President and General Manager, we can see that the Bank's affairs have received very careful attention at the hands of the Directors."