

BANK OF MONTREAL

ANNUAL MEETING

Sir Vincent Meredith, Bart., President, and Sir Frederick Williams-Taylor, General Manager, Insist Strongly on Policy of Preparedness—Economy, Production and Immigration Should Be Its Principal Features—67 Per Cent of the Male Staff of the Bank of Military Age Have Enlisted for Overseas Service.

Montreal, Dec. 8.—The Ninety-ninth Annual Meeting of the Bank of Montreal was held at the Head Office of the Bank at Montreal on Monday, December 4. The addresses submitted by Sir Vincent Meredith, Bart., President, and Sir Frederick Williams-Taylor, General Manager, dealt especially with the policy of preparedness it was urgent the Dominion should adopt in order to be ready for the period of readjustment that must necessarily come at the close of the war. The principal features of the policy should be Economy, Production and Immigration.

Attention was also drawn to the temporary character of the present industrial activities in Canada and the necessity of recognizing same. Confidence was expressed in Canada's ability to solve the problems that might present themselves. Special references were made to the large number of the staff of the Bank now serving with the Colors and the illustrious record they had made.

THE PRESIDENT'S ADDRESS.
Sir Vincent Meredith, Bart., President, in his address to shareholders, said:

I hoped when I last had the pleasure of addressing you that before this annual meeting the end of the cruel and devastating war, which has convulsed Europe, would be, if not reached, at least within measurable distance. In this expectation we have been disappointed. No one can fix the day of its termination, but I am sure I express your feelings when I say we hold an unshaken confidence of the ultimate victory for Britain and her allies.

Canada, inspired by a deep-rooted loyalty to the Empire, has given and is still prepared to give freely her gallant youth and monetary means to the great cause, upon the success of which her liberties and national existence so greatly depend.

The year has again been one of considerable anxiety to all those engaged in financial affairs. Our profits have been curtailed by payments of Government taxes at home and abroad, while earnings on loans in Canada have been affected by reduced borrowings on the part of our customers. It is not, however, an unfavorable feature that the prosperity of large manufacturing industries and business in general has produced a curtailment of bank loans and converted borrowers into depositors. The low rates of interest on that portion of our resources carried in New York have also been a contributing factor to diminished earnings compared with those antecedent to the war. But despite these disabilities, we have been able, after making what we believe to be full provision for bad and doubtful debts, to pay our usual dividends with the customary bonus and to carry a balance to the Profit and Loss Account. I trust, therefore, that under the circumstances you will consider the results of the banking year satisfactory.

Relations of United States and Allied Countries.

The wide ramifications of the business of the Bank make us necessarily deeply concerned with commercial conditions in other countries. In Great Britain, general trade has been spurred to great activity by the war's demands. There has been no lack of employment, wages have risen, money has been circulated freely, returning to the Banks in the form of increased deposits, and for the time being, at least, prosperity has prevailed, despite the discommodities of the war. In the United States, also, as a result of the war, there is an activity in business unexampled in its history. The shipments of gold to that country in payment of munitions, grain and other commodities have reached a sum in excess of \$700,000,000 since the outbreak of the war. This huge inflow of precious metal, together with the fact that under the new Federal Reserve Act the proportion of reserves required to be carried by the banks has been reduced, is causing concern to many financial men, who fear that it will bring about a period of inflation to be followed by a serious financial reaction.

At present these conditions are serving a useful purpose to the Allied countries by causing a plethora of money, thereby enabling them to borrow at comparatively reasonable rates of interest. If the United States market will continue to look with favor on further Allied loans, any menace to the financial situation to that extent will be removed.

The recent action of the Federal Reserve Board in counselling caution in the investment of American bank funds in treasury bills of Entente Powers, it is thought, may be intended as a warning to imprudent or inexperienced bankers. It is hoped, however, that it will not bring about a diminution in Allied borrowings in the United States, with the possibility of a check in the volume of trade with Canada.

The Allied loans so far issued in New York aggregate \$1,585,000,000, of which Great Britain has borrowed \$860,000,000, France \$750,000,000, Russia \$120,000,000, and Italy \$25,000,000.

Business Conditions in Canada.

As a result of the phenomenal crop of a year ago, coupled with the export of munitions by the Allied Governments in this country for munitions, and by our own Government for requirements in connection with the war, high wages are being paid for all classes of labor, and trade conditions at the moment in Canada are buoyant in nearly all lines of business. The few exceptions are generally speaking, to be found in industries concerned with the production and sale of luxuries.

Owing to unusual adverse climatic conditions and decreased acreage, the yield of wheat this season will probably not exceed in quantity in the Northwest one-half of last year's bountiful crop, and will fall somewhat below the average in the older provinces; but the farmers will be largely compensated for the diminished yield by the high prices being paid for grain and all other farm products. Estimates this season are, as is usual conflicting, but those believed

to be most reliable give a wheat crop for the three Northwest Provinces of 150,000,000 to 175,000,000 bushels, and for all Canada 185,000,000 to 200,000,000 bushels, and it is not improbable it may exceed these figures. Were it not for the fact that our shipments of grain to Great Britain will probably be curtailed by a shortage of ocean tonnage, the results might be looked upon as not unfavorable to the whole.

In this connection I may add that the past season has been very propitious for the dairy trade, the production of which has exceeded all previous records, and marketed at unprecedentedly high prices.

The sudden reversal in the position of Canada from a debtor to a creditor nation, as respects foreign trade, has been very remarkable. In the seven months of the fiscal year ending October 31, the exports of domestic goods, exports of merchandise was, as recently as 1913, no less than \$145,000,000, and the like period of 1914, \$160,000,000. Then the gap began rapidly to close.

The production of munitions of war of every description, together with the export of trade goods, carried the exports to an unprecedented high figure. In the seven months to October 31, 1915, the value of domestic exports exceeded imports by \$73,500,000, and in the corresponding period of this year the excess of exports over imports has reached the large sum of \$160,000,000. Nor has this reversal of the balance of trade been accomplished by contraction of imports; in the present year the value of imports has outstripped all previous records.

The change has been effected entirely by shipments abroad of the huge crop of 1915, and the large output of war supplies, the exports of agricultural products in the seven months period to October 31 having risen from \$75,500,000 in 1914, to \$233,500,000.

In a little more than a year, Canada has issued two Domestic Loans amounting to \$200,000,000 and the Canadian Government has borrowed in New York \$95,000,000. The success of our internal loans is a matter of pride and congratulation. It is due largely to the spirit of loyalty and patriotism, and a determination to do all within them to bring the war to an early and successful conclusion.

So far, a depletion of bank deposits in consequence of these contributions has not taken place; in fact, they show month by month a gratifying increase. It must not be forgotten, however, that these increases are only partially due to the savings of our people. They may be accounted for to a very considerable extent by the husbanding of resources by our large corporations, a result of the uncertain conditions which now prevail and will continue to exist during the continuance of the war.

The minister of finance, to whom the country owes much for his wise and far-seeing administration of our financial affairs, will doubtless keep in view these conditions when making future calls on our resources, which necessarily he must do from time to time.

The net debt of Canada on October 31 last was \$695,000,000, an increase of \$200,000,000 over the \$495,000,000 of the year expenditure has now reached \$233,000,000 a month, and is increasing. Ere long the public debt of Canada will reach a billion dollars, and involve an interest charge of not less than \$45,000,000 annually. While it is true that through adventurous circumstances public revenue has increased during the last year or two, no dependence can be placed on the continuance of this buoyancy, so that we will have to face a heavy interest charge on account of public debt, and a resulting taxation.

It is obvious, therefore, that if Canada is to escape the disability of being made a debt country to live in, the strictest economy in Government expenditures will have to be practiced and all demands for public aid involving new burdens be held severely in check.

Policy Canada Should Follow.

There are three objects to which every effort must be bent: Economy—that we may be enabled to provide the Government with funds to do our part to win the war; and to make provision for taxes which we shall undoubtedly be called upon to pay.

Production—that we may increase our exports and thus provide more fully our home markets; and above all, Immigration—which will bring about increased production so necessary to our well-being; to be promoted at all circumstances and under all conditions, particularly of settlers who seek the land.

The railway situation in Canada has been a matter of anxiety to those connected with financial affairs. The Dominion Government has, as you are aware, appointed a commission of capable and experienced men to thoroughly investigate the situation in respect of the newer transcontinental railways, and while I cannot, of course, anticipate the findings and recommendations of this commission, I may be allowed to express the hope that neither Government ownership nor Government operation will ensue, either of which, I am convinced, would prove detrimental to the best interests of Canada.

And now, as my remarks draw to a close, I am tempted, contrary to my usual practice, and unrestrained by the old adage, "No prophet is to be trusted," to look into the future. The thoughts of many men are turned towards the problems that will confront us after the war. Government commissions are dealing with them; the press devotes much space to their discussion; international conferences have met, but our first, obvious and imperative duty is to WIN THE WAR.

When that is done, new conditions will unquestionably supervene. It seems probable that the forerunners of a new era for munitions and war supplies will continue to keep our industrial plants actively employed.

Outlook for Post-War Period.
A temporary check in business generally may be looked for when peace is in sight, but I do not anticipate that any lengthened cessation of commercial and industrial activities will immediately ensue. The period of reconstruction will probably not be accompanied by severe depression, and during this time Europe should provide a market for all we can produce, and new markets, perhaps, will be opened to us.

production brings not only prosperity but stability; apart therefrom, though the cost of these alleged food times will not fall equally upon individuals, Canada as a whole will pay, and is paying already, in hard cash, reflected in a formidable national debt and in great public debt per capita. We are also paying in that most priceless of all treasures, the blood of the manhood of our country. So far the cost to us of the war is 14,000 lives plus 45,000 casualties, and in money \$254,000,000.

The transient nature of our increased exports is a simple index to a situation that commands the attention of all thinking people. These views may not be acceptable to all, but they are common sense and based upon arithmetical facts. To be forewarned is to be forearmed.

These are the main factors that have influenced and will influence the banking position—the movement in deposits and loans and the safety of both. Here, in my opinion, the business of this bank should be conducted with such views plainly before us until the situation clears.

There are two obvious means of lightening Canada's coming burden, viz, thrift and immigration. The two are closely allied, for only by practicing thrift can the economy of the thrift can we reduce our high cost of living—that most effective barrier to immigration. Upon immigration we mainly depend for the fuller development of our unsurpassed natural resources.

Thrift is overdue but can be started forthwith; immigration must wait, but should follow in natural sequence. I have no words at my command with which to adequately urge the necessity of an organized and an individual effort to promote thrift.

The timely and eloquent "Call to Action" from the Bank and the commerce commands attention. I am not sure that it should not be preceded by a "Call to Reason," in order that but for a period we shall be at a disadvantage owing to a deficiency of tonnage to carry them to our shores from Europe, and it is not improbable that Continental nations will, for the purpose of self-preservation, place an embargo on all emigration. Great Britain, for similar reasons, though she may not take such drastic measures in regard to her daughter nations, will no doubt discourage intending emigrants from leaving her shores. This I say without a moment's meaning that efforts to secure immigration should be in any way relaxed.

Canada is bearing up magnificently under the strain of this world-wide war, and her sacrifices will be amply repaid by the engendering of a spirit of self-reliance, and she will emerge, a comparatively little known country, with her rightful position in the affairs of the nations.

The future, as I have said, is beset with new problems and is not entirely free from financial anxieties, but a young people possessing great national spirit, a territorial Empire and unrivaled natural resources, the future can be looked forward to with hope and confidence.

THE GENERAL MANAGER'S ADDRESS.
Sir Frederick Williams-Taylor, the General Manager of the Bank, then made his annual address, as follows: Gentlemen,—In this, the twenty-ninth month of the war, it is my duty to present for your approval the ninth annual statement of the Bank of Montreal.

Also it is my combined duty and privilege to explain the chief changes in the balance sheet now before you. First, however, let me comment briefly upon the factors that bear most importantly upon the future course of our affairs and that have influenced our banking position in the year under review.

The outstanding business feature in Canada is an industrial condition more abnormal in character than ever before in the history of this Bank, or of this country.

The same statement applies in a greater or lesser degree to several neighboring countries, but in Canada economic conditions as well as in an unusual state. This is partly due to the war, also a result of suspended immigration and, lastly, the period of an extravagance of which we are now feeling the cumulative effect.

Canada sold her record crop of last year at high prices, as in the case of the American Civil War, while this year we are disposing of a moderate crop at such steadily mounting prices that we again reap a golden harvest about equal in amount to that of 1915. The total value of last year's crop was \$799,000,000.

Our much-criticized adverse trade balance has disappeared, as though by magic, and our exports are now vastly in excess of our imports.

Exports for year ended 31st October... Imports for year ended 31st October... Total trade for year ended 31st October...

Many of our great industries have converted big floating debts, a cause of anxiety, into cash surpluses. As a natural consequence, our stock market is booming. Not only is unemployment unknown, but unskilled labor commands wages two and a half times greater than the pay of our volunteer soldiers, who so splendidly risk their lives for their country, while men engaged in "factory piecework" can earn as much as a college professor.

It is therefore that the surplus of \$5,000,000 now for refunding purposes. In the previous year Canada borrowed in New York about \$142,000,000, and in 1915 \$25,000,000.

The interest on Canada's indebtedness abroad—mainly to Great Britain and the United States—now amounts to about \$175,000,000 a year. It is the weight of special mention that since August, 1914, New York has loaned no less than \$2,000,000,000 to foreign countries, thus establishing itself in an important position among the great loaning centres of the world.

Bank's Record in Overseas Service.
Sir Frederick Williams-Taylor, in concluding, referred to the number of the staff of the Bank that had enlisted for overseas, saying: "As for the Bank of Montreal Contingent with the Colors, I have no words sufficient to express our pride in their achievements, our grief in their losses. Forty-eight per cent of our total male staff, or 47 per cent of those of military age, have enlisted. Of our best have been killed, and 107 are wounded, missing or prisoners of war. Several of our men have been decorated by the King for conspicuous valor, and the whole Contingent is illustrious."

WESTERN ONTARIO CATTLE CLEAN UP AT TORONTO SHOW

Fat Stock of This District Prominent.

PROVINCE-WIDE INTEREST

Entries Not as Large as Formerly, But Are Better.

Toronto, Dec. 8.—Business was brisk for a short time at the Union Stock yards today, and prices were strong at this week's general advances. The run was light, and when disposed of, all attention was diverted to the more interesting proceedings in connection with the annual fat stock show which opened today.

There was the usual large attendance of interested visitors from all parts of the province. As compared with former years the show is not as large in the number of exhibits. In quality the average never was better in the individual classes, but the average of carlots did not come up to that of former years. Judging began early, and was followed with the most intense interest by the large audiences interested in the various classes.

Some of the leading prize-winners were: Lot 1—Pure-bred steer, 2 years and under 3-1, J. D. Ferguson & Son, R. R. No. 8, St. Thomas; 2, John Black, Ferguson; 3, John Brown & Sons, Galt; 4, D. Ferguson & Son.

Lot 2—Pure-bred steer, 1 year and under 2-1, John Brown & Sons, Galt; 2, George B. Armstrong, Ferguson; 3, Adam A. Armstrong, Ferguson; 4, St. Thomas.

Lot 3—Pure-bred fat heifer, 1 year and under 2-1, A. Elcott, Senfouth; 2, John Black, Ferguson; 3, A. Elcott, R. R. No. 3, Senfouth.

Lot 4—Cross-bred and cross-bred carload 15 dehorned steers, 1,250 lbs. and over—1, J. D. Ferguson & Sons; 2, J. D. Ferguson & Son.

Lot 5—Grades and cross-bred carload 15 dehorned steers, under 1,250 lbs.—1, A. White, Guelph; 2, John Black, Ferguson; 3, Adam A. Armstrong, Ferguson; 4, St. Thomas.

Lot 6—Harris Abattoir Company, Limited, carload 15 steers, dehorned, under 1,200 lbs.—1, John Brown & Sons, Galt; 2, J. D. Ferguson & Son; 3, Adam A. Armstrong, Ferguson; 4, St. Thomas.

Lot 7—Armour and Company, carload 15 butcher dehorned steers, 1,100 lbs. and under—1, A. White, Guelph; 2, John Black, Ferguson; 3, Adam A. Armstrong, Ferguson; 4, St. Thomas.

Lot 8—G. H. Walter & Son, carload 15 dehorned steers or heifers, under 1,200 lbs.—1, J. D. Ferguson & Son; 2, R. L. and R. Short, R. R. No. 1, Elora.

VOICE OF THE PEOPLE
A Reply to Father Richards.
To the Editor of The Advertiser:
In regard to the ranting exegesis of Father Richards's "The Roman Catholic Church is the only body on earth with full power of jurisdiction to deal with the sacraments. That church is assuming in her usual exegesis, without question Anti-Christ, holding that their head, the Pope, is equal to Christ. This dogma of infallibility was established as an article of faith in 1570, that the Pope when speaking as Pope upon matters of faith and morals is infallible."

It is not necessary to comment on the matter of ecclesiology further than to state that St. Peter himself was a married man. St. Peter, the great rock of the Roman Catholic Church was not celibate.

As regards the unhappiness of mixed marriages, Father Richards in his extravagant and reckless manner is at error as it is generally known to the contrary that mixed marriages are not unhappy as a whole, far from it.

In conclusion I submit without hesitation that any Roman Catholic priest, such as Father Richards will be surprised if they gain entrance into Heaven, to see many Protestant clergy there also. Thank God we are not coerced and bound by tyranny of any organization such as the Roman Church.

A PROTESTANT MINISTER
London, December 8, 1916.
Wants Food Exports Stopped.
To the Editor of The Advertiser:
Why doesn't our Government put a stop to the exportation to the food supplies to the United States when we are so short in Canada?
J. KILGORE.

DEPUTY CHIEF "FIRED."
OWEN SOUND, Dec. 8.—There is trouble in the Owen Sound fire department. The chief has fired the deputy-chief because he was averse to an appointment of the chiefs on the staff. The deputy-chief has appealed to the chairman of the committee, claiming he has been unfairly handled.

DEATH OF ELIZABETH VENTON.
INGERSOLL, Dec. 8.—The death occurred this morning of Elizabeth Venton, a lady widely known in the town and highly esteemed by a wide circle of friends. Miss Venton was in her 64th year. The funeral will be held Sunday afternoon from McInnes's funeral parlors to the Ingersoll Rural Cemetery. Service at 2:30 o'clock.

CONFIRMS APPOINTMENT
Sir George Foster Names Prof. McCallum to \$10,000 Post.

OTTAWA, Dec. 8.—Sir George Foster in a memorandum today confirms the appointment of Prof. A. B. McCallum of Toronto University as chairman of the council of scientific and industrial research at a salary of \$10,000 per year.

Prof. McCallum is an old Westminister Township boy and brother of Dr. H. A. McCallum of this city.

Giants! Giants! Giants! Coming soon!
The Giants of Lilliputia

The Bell Telephone Co. of Canada

No Talking Machine Manufacturer Dares to Make this Test

No talking machine manufacturer dares to invite a public comparison between a great artist's voice and the reproduction of that voice by a talking machine. No talking machine could sustain such a test.

The NEW EDISON

has been tested in this manner before two hundred thousand people. Great artists such as Marie Rappold, Anna Case, Alice Verlet, Christine Miller, Marie Kaiser, Elizabeth Spencer, Helen Clark, Arthur Middleton, Thomas Chalmers, and numerous others, have matched their voices against Mr. Edison's Re-Creations thereof and two hundred thousand music lovers have confessed their inability to distinguish the real voices from Edison's Re-Creations of them.

Not a Talking Machine
The New Edison is not a talking machine. It does not re-produce music. It literally re-creates music. It is the world's most wonderful musical instrument.

Come to Our Store
We want to give you an Edison Musicales. There will be no obligation on your part. It will be a pleasure to us to demonstrate this wonderful new invention which Mr. Edison has licensed us to sell.

We are licensed to sell the New Edison.
Wm. McPHILLIPS
189 DUNDAS STREET.

An \$8.00 Gift!
No Christmas present can be of more real value than one that will lighten the burdens of your wife and family.

An extension telephone, placed anywhere upstairs, and connected with your main instrument below, will abolish stair-climbing—there will always be a telephone between you and the stairs, whether you are up or down.

No charge is made for installation; rental is payable quarterly.

Order to-day, and we will have it installed for Christmas.