

THE CANADIAN BANK OF COMMERCE

Address of the General Manager at the Annual Meeting of the Bank.

The address of Sir John Aldred, General Manager of The Canadian Bank of Commerce, at the annual meeting of the shareholders of that bank held on the 14th inst. will be interesting to our readers. Not only does it deal at length with the business of the bank during the past year, which has been a most successful one for the institution, but it indicates the view taken of Canada's prospects by one of her leading bankers. Sir John said:

For the first time since January, 1914, we meet without the sinister shadow of the great war upon us. Difficult as is the outlook before many of the warring nations and perplexing as are the problems for which a solution has to be found before a satisfactory peace can be concluded, hostilities have ceased and cannot be renewed on the same colossal scale. We rejoice that the sacrifice of life has come to an end and that those members of our staff at the front who have survived the conflict, and others who have near and dear to many of us, can now look forward with assurance to the welcome that awaits them at their home-coming. The past year has been pleasantly marked by the jubilee of our President and Vice-President in their respective callings. We have, therefore, many reasons for a feeling of jubilation on this occasion, and this is added to by the excellence of the statement which we have pleasure in presenting to you.

An Excellent Statement. The earnings of the Bank have been good, and the profits have again reached a new high level, amounting to \$2,850,000, or \$12,000,000 more than a year ago. We confess to a feeling of pride that we have been able to maintain the premier place among Canadian banks in this, to you, important item. Notwithstanding the apparent size of the figures, however, it must not be forgotten that the rate of earnings of this Bank, as of Canadian banks in general, is steadily decreasing, when measured by the services rendered and the extent of the effort put forth by our staff. On the average of our total assets during the year we have earned only 7-10ths of one per cent, as compared with 1.27 per cent. in 1913, the last year prior to the war, and 1.37 per cent. ten years ago.

Increased Service. The main causes of this, as I have pointed out in previous years, are, on the one hand, the enormous increase in the volume of banking services which are demanded for the public without remuneration, and the fact that banking is one of the few businesses in which charges are sometimes lowered but seldom increased. In spite of the general increase in the cost of everything else, and on the other, the increases in salaries and wages which are inevitable to enable our men to meet the great increase in the cost of living. It must not be forgotten that the wages paid constitute the most formidable item of expense in the budget of a bank, and it will readily be understood that the responsibilities and the difficulties of dealing fairly with the members of our staff, in view of the high level of the cost of living, are not small.

Depreciation Unnecessary. An unusual item in our Profit and Loss account this year, which affords us much gratification, is the recovery of the appropriation of \$1,000,000 set aside in the year 1915 to provide for the depreciation of securities. We then expressed the hope of saving this, or at least a part of it, at the end of the war, and it is a source of satisfaction to find our prediction fulfilled. On the other side of the account, our disbursements in the way of dividends and bonuses to shareholders, and the amounts required to pay the special war tax on bank note circulation and for the Officers' Pension Fund, are the same as a year ago. Subscriptions to various funds of a patriotic nature, almost all of them the direct outcome of the war, have called for \$102,550.

A War Memorial. We have set aside \$100,000 to defray the cost of a memorial we propose to raise in honor of the officers of the Bank who served in the great war, and for the cost of the history of the Bank to which I referred a year ago. The form of the memorial is not yet decided, but it will probably take shape when we come to erect a new building on our site here, an undertaking which cannot long be delayed if the natural development of the business of the Bank is not to be hindered by cramped and unsuitable quarters. After doing all this, we have been able to transfer \$1,500,000 to Reserve account, which thus becomes equal to the paid-up capital, a goal which we have aimed to reach for many a day, but which has called for long years of tireless striving, before we could consider it as fairly won. We might perhaps have made a better showing on the surface and have seemed to reach our goal in a shorter period of time, but our wish has been to build surely and carefully upon a firm foundation, and in the meantime to provide beyond needs and desires every weak spot in our loans and securities. We carry forward into the new financial year an undivided balance of profits amounting to \$1,448,842, or \$112,000 more than a year ago.

Note Circulation. General Statement, the first item of our liabilities is notes in circulation. These amount to the very large sum of \$31,582,000, or \$7,582,000 more than a year ago. This increase is not far from double the large increase reported last year, but we think that the reasons advanced for it are still valid, although it is possible that in addition there may be a certain amount of hoarding by a class of munition workers who adhere to old habits, and hide their savings rather than entrust them to the care of a bank. If so,

should be effectively maintained in Great Britain, and that the necessary measures to this end should be taken without delay. Similar measures are being urged in the United States by a not unimportant section of the press, and it is disquieting to hear a discordant note sounded in certain influential financial circles in this country. We think that the Government could well afford to pay a small royalty to encourage an increase in the production of the gold mines of Canada. The conditions of the last two years have very adversely affected the mining of gold, especially as compared with silver, and in the interests of the country, we believe that the Government should seriously consider some plan for placing this industry on a profitable footing.

Large Volume of Transactions. The next item of the assets, consisting of notes and cheques and balances due by other banks, shows an increase of \$3,830,000, almost all of which is made up of larger holdings of cheques on other banks, which constitute the daily exchange. This increase is due solely to an increased volume of current banking transactions. Securities of various kinds have increased \$16,183,000, represented principally by larger holdings of British and Canadian Government securities. On the other hand, railway and miscellaneous securities have decreased slightly. Call and short loans show an increase of \$8,324,000, of which the greater part is in loans outside of Canada, and immediately available assets are \$35,582,000 greater, standing at about fifty per cent. of our liabilities to the public. Commercial loans show an increase of \$52,621,000, nearly all of which is lent in Canada. While there is no doubt a good deal of activity in such manufacturing as can be carried on under the circumstances of the past few months, a large part of the increase is due to high prices and to delay in realization on our wheat and other produce, which has been reserved by the Government. The delay in this connection, while no doubt largely inevitable under existing conditions, has a prejudicial effect on those immediately concerned. With the passing of the era of high prices, especially those of farm produce, and a return of wages to a more normal level than that of munition-making, we must expect to see decreases in the volume of both our loans and deposits. Indeed, it will not be surprising if the figures of the present balance sheet are not exceeded for several years to come.

Total assets have increased \$95,995,000, and now amount to the very large sum of \$440,310,000. This increase is 27.8 per cent. over the figures of last year, a remarkable showing when it is recalled that we have been marking time in the opening of new branches, and that we have not taken over the business of any other bank.

Reinstated Returned Men. With regard to the staff, it is our desire to reinstate all officers who wish to come back to our service from military duty, and at the same time to avoid any hardship which might be created by dispensing with the services of the members of the temporary staff, who have filled the breach so acceptably during the past four years. With sorrow we record the death in action of eighty-five additional members of our staff during the past year, making a total of 226 who have been killed in action, or have died of wounds, since the outbreak of the war. The number of wounded men reported to us has now reached 234; 7 are still recorded as missing and 23 as in the prison camps. Under the terms of the armistice we trust that these prisoners have now been successful in reaching allied or neutral countries.

Increase Export Trade. A year ago I urged the importance to Canada of stimulating the production and export of food, the need of organization for the purpose, and the attractiveness of the outlook for this branch of commerce. The ending of the war has in no way dimmed the prospect. The last number of the Agricultural Gazette, the official publication of the Dominion Department of Agriculture, contains an appeal from the Dominion Government along similar lines, and particularly emphasizes the bright prospects of the meat export trade. Speaking of the outlook before this country now that the war has ended, the Minister of Finance, Sir Thomas White, writes: "There would seem no reason to apprehend any failure of markets for all the food that Canada can produce. Our grain, live stock, and their products, with those of our fisheries, should all be in keen demand at high prices. Increase in our agricultural production will not only help to furnish food for a hungry Europe, but will be a chief factor in maintaining our favourableness. The international trade balance as well." All countries are seeking to increase their export trade; all are hoping to be sellers and to limit their purchases. Under such conditions, the successful ones will be those which have special advantages for a certain line of production and which can find a market for the same line of goods. Is there any country better fitted than Canada for the production of food, or any branch of commerce in which an ample market is more assured?

Finance Food Supplies. Acceptance under Letters of Credit offset in our balance sheet by the corresponding liability of our customers which appears among the assets, show a large increase, represented by advances in Canada and the United States secured in nearly every case by food supplies purchased for account of the Allies. Cash on hand, consisting of gold and silver coin and Dominion notes, amounts to \$31,971,000, as compared with \$51,523,000 a year ago, an increase of \$19,552,000. Of this we had \$17,500,000 in the Central Gold Reserve, to provide cover for our excess note circulation. Our total holdings of gold and silver coin—principally gold, but including the necessary silver for the tills of the branches—are slightly lower than a year ago. We hold, however, a much larger amount in Canada, in the carrying out of the views I expressed last year in referring to this subject.

Maintain Gold Standard. This was not accomplished without difficulty, owing to the embargo placed on exports of gold by the United States Government, and to the demands of that government and the effort to increase our holdings has been further hampered by the decline in the output of the Canadian mines caused by the present high cost of production. It is gratifying to find a substantial agreement with our views on this subject in the report of the Imperial Committee and Foreign Exchanges after the War, of which Lord Curzon, Governor of the Bank of England, was Chairman. In its final interim report this committee has emphasized the imperative need that the gold standard

falling prices. Few of the promoters, however, appear to have considered where the money is to come from. By all means let a wise and statesmanlike view of the matter prevail, and all public works be undertaken which are in the best interests of the community, having regard to all aspects of the question. But let it not be forgotten that such works have to be paid for sooner or later out of the taxes, and the hope of every citizen at the present moment, I may safely say, is to see his tax bills reduced rather than largely increased. Even public borrowing cannot indefinitely postpone the evil day of payment.

Reconstruct With Savings. Some of our municipalities are already hampered by the load of debt incurred in former eras of prosperity, and no one would advocate any considerable increase at this time in the national debt of the Dominion. The safe course is wisely set out in the Cunliffe report, to which I have already referred. After speaking of the pressure that is sure to be brought to bear upon the state for capital expenditure in many forms of reconstruction purposes, it points out that all money expended on reconstruction work should come out of savings and not be obtained by the creation of new credit. The burden of prevailing high interest rates in the case of such works has also to be considered, and although the outlook as to the value of money after the war is uncertain, it seems probable that current rates in England are held below the natural level at present by war-time regulations, and that when these restrictions are removed, rates may tend upward rather than downward. It is clear that the importance of saving and economy in personal expenditures as a public duty will not be lessened by the ending of the war, but, if possible, increased.

It is interesting to note that the London Statist is of the opinion that after the war Canada will prove more attractive to emigrants than the United States, and that thus the drain upon the manpower of this country made by the war will be more than remedied.

The Future. As to the future, we feel that we can look forward with quiet confidence. The multifarious restrictions which have necessarily been placed on business during the war will doubtless disappear before long, and they should be removed by the Government as speedily as possible. This will aid in lessening unemployment at home, and enable our exporters to resume their operations in other countries before the field is occupied.

Attention should also be given to the prompt settlement of all outstanding contracts and obligations of the Government, and to the claims arising out of the cancellation of contracts. These are sometimes allowed to drag, causing great injustice to individuals and corporations, and preventing them from resuming their accustomed place in the peace activities of the nation. By prompt attention to such matters the Government can assist materially in the restoration of a normal state of affairs in the business world. We have been fortunate in this country in that our participation in the war has not involved material damage at home. Our efforts have entailed no exhaustion on our part, and while the problems before us are many and difficult, we believe that a satisfactory solution will be found for all of them.

From The Countryside. Jan. 16.—The ice bridge has formed in the bay but owing to the last few mild days, it is not safe for crossing yet. Overton Ball has so far recovered from his recent illness that he was able to return home and is out on the street again. Mrs. James Chapman of Brockville visited at Norman Kikley's for the weekend. Quite a number of people went to Kingston on Tuesday evening last to hear Harry Lauder.

Frenetic. BARTINGTON. Jan. 16.—The school re-opened on Monday with a very small attendance, but it is daily increasing. The people are glad to welcome home Lieut. Ross Carlson, who has done valiant service for his country. He enlisted in the west as a private early in the war. Mrs. J. Chaffey, Oak Flats, has returned home this week after spending some time at R. Goodenham's. The farmers are getting up wood.

ALLEN, WOLFE ISLAND. Jan. 14.—The roads are now in excellent condition. A number from here attended the assembly held in the C.M.B.A. hall, Marysville, on Wednesday evening. The party at George Woodward's on Tuesday evening was well attended. Miss Louise O'Brien, Toronto, is visiting her sister, Mrs. Stewart Murphy. A meeting of the Farmers' Union was held on Monday evening in the township hall, Marysville, and was well attended.

CLARENDON. Jan. 14.—A very old resident, Mrs. Welsh, aged eighty-two years, passed away on Saturday, 11th. The funeral took place at Perth on Monday. Much sympathy is felt for Arthur White in the death of his wife, on Jan. 6th, aged thirty-four years. She leaves a large family of children and a loving husband, Miss Ella White who was dangerously ill with pneumonia is recovering. Thomas Kirkham, son of Isaac Kirkham, is seriously ill. The majority of the flu patients are now on the way to recovery. John Glem is able to be around again after a siege of flu. Delbert Dustin, Kingston, spent Sunday in Clarendon. Mrs. George Neely, Miss Rossie and Mrs. William Sly are now convalescent after a serious attack of flu.

KEPLER. Jan. 15.—The snowstorm of last Friday blocked traffic for a while in this district. A fine baby boy has arrived at Edward Donnell's. O. V. Hansen has moved on the homestead here. Mrs. C. Hansen is moving to Collins Bay. The W. M. S. met yesterday at Mrs. Arthur Smith's. Quite a number in this vicinity are sick with colds, but there is no flu. Mrs. B. Sharratt left today to spend the remainder of the winter in Ottawa. About forty Keplerites gathered at the home of O. V. Hansen last Saturday night and spent a pleasant time playing games, etc. Recent visitors: Miss Ellerbeck, Glenvale; at Newton Orser's; Oscar Lindsay and wife, Vernon Lindsay and wife, Levi Cranston, wife and daughter, Raikton; at W. Orser's; J. Donnell, Portmouth; at E. Donnell's.

PERTH ROAD. Jan. 15.—The mild weather, after the cold snap, is much appreciated. Archibald Wilson has purchased a new home. William Hittchcock attended the first session of the new council at Sydenham on Monday. Mr. and Mrs. Richard Harris and John Harris were recent guests of Mr. and Mrs. A. Mc-

AN EVEN CHANCE. She—I hope prices change after the war. He—I don't. They will probably go up.

COAL SHOVELING. From shoveling coal we shall not shrink. When frosty times employ us; What once we thought was weary work is now considered joyous.

A HARD TASK. Bug Foreman—Hey you fellows hurry up and roll that cigarette for me.

The man who cannot enjoy anything except money is indeed miserable.

It is an Expensive undertaking to give Kingston a Private Wire, Bond and Stock Office. Bongard, Ryerson & Co., 239 Bagot Street. Merit and need the loyal support of every bond or stock buying citizen of Kingston. The manager, Mr. H. J. Bongard, is a local man. THINK TWICE before handing your order to outside houses. There is no bond we cannot get. Perhaps we can buy it cheaper than you can. It costs you no more, and you will be furthering local enterprise. Call 1728—Government bonds 5 to 7%. Any maturity.

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Few Drops When Corns Hurt, Pain Stops! Corns Lift Out. Don't let corns ache twice! Lift any corn or callus off with fingers—Here's magic! No humbug! Any corn, whether hard, soft or between the toes, will loosen right up and lift out, without any pain. This drug is called frezone and is a compound of ether discovered by a Cincinatti chemist. Ask at any drug store for a small bottle of frezone, which will cost but a trifle, but is sufficient to rid one's feet of every corn or callus. It is the most marvelous drug known. Put a few drops directly upon any tender, aching corn or callus. Instantly the soreness disappears and shortly the corn or callus will loosen and can be lifted off with the fingers. Frezone doesn't eat out the corns or calluses but shrivels them without any irritation. Women! Keep frezone on your dresser and apply a few drops whenever a corn begins aching. Pain stops, corn goes!

EQUALIZES ARMY AND NAVY. Much as Tomm's. The anomaly which dates back to the days of Trafalgar of paying the dependents of the man in the British navy a smaller allowance than to relatives of men of similar ranks in the military forces has been rectified. Hitherto this difference in pay has been defended by the Admiralty authorities, one of the reasons given being that alleged greater chance of promotion in the navy.

Gratitude. "It says here that a wealthy Western man has left \$500,000 to the woman who refused to marry him twenty years ago," said Mrs. Gabb, as she looked up from the newspaper she was reading. "That's what I call gratitude," commented Mr. Gabb.

Twice during the year man feels the need of rest—just before the vacation and immediately after it. Most of our trouble comes from bothering ourselves too much about the affairs of other people. Somehow I always watch out for the man who is too prevalent with the secret order sign or grip. When you do an act of charity there is no need to publish it. It will be found out sooner or later.

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