

THE CANADIAN BANK OF COMMERCE

HEAD OFFICE - TORONTO, ONTARIO

| | | |
|-----------------|-----------|-------------|
| CAPITAL PAID-UP | - - - - - | \$6,000,000 |
| REST | - - - - - | \$ 800,000 |

DIRECTORS:

| | | |
|--------------------------------|-------|-----------------------|
| GEORGE A. COX, ESQ., | - - - | PRESIDENT. |
| JOHN I. DAVIDSON, ESQ., | - - - | VICE-PRESIDENT. |
| JAMES CRATHERN, ESQ. | | WM. B. HAMILTON, ESQ. |
| GEORGE TAYLOR, ESQ. | | MATTHEW LEGGAT, ESQ. |
| JOHN HOSKIN, ESQ., Q.C., LL.D. | | ROBERT KILGOUR, ESQ. |

| | |
|--|------------------------------------|
| B. E. WALKER , General Manager. | |
| J. H. PLUMMER, Asst. General Manager. | |
| A. H. IRELAND, Inspector. | G. de C. O'GRADY, Asst. Inspector. |

BRANCHES AND AGENCIES

QUEBEC—

MONTREAL A. M. CROMBIE..... Manager.

ONTARIO—

AYR JOHN WYLLIE..... Agent.
 BARRIE H. H. MORRIS..... Manager.
 BELLEVILLE C. M. STORK..... “
 BERLIN D. B. DEWAR “
 BLENHEIM R. C. MACPHERSON “
 BRANTFORD JEFFERY HALE “
 CAYUGA W. C. T. MORSON “
 CHATHAM J. E. THOMAS “
 COLLINGWOOD JAS. BRYDON..... “
 DUNDAS C. E. PANGMAN..... “
 DUNNVILLE R. G. W. CONOLLY..... “
 GALT T. A. STEPHEN..... “
 GODERICH R. S. WILLIAMS..... “
 GUELPH B. R. MCCONKEY..... “
 HAMILTON WM. ROBERTS..... “
 JARVIS W. C. T. MORSON..... “
 LONDON H. A. NICHOLSON..... “
 ORANGEVILLE W. W. RUTHVEN..... “
 OTTAWA ROBERT GILL..... “
 PARIS R. C. JENNINGS..... “
 PARKHILL J. M. DUFF..... “
 PETERBORO WM. MANSON..... “
 ST. CATHARINES..... F. O. CROSS..... “
 SARNIA T. W. NISBET..... “
 SAULT STE. MARIE D. MCGREGOR “
 SEAFORTH JOHN AIRD..... “
 SIMCOE E. COWDRY “
 STRATFORD W. MAYNARD, JR..... “
 STRATHROY L. H. DAMPIER..... “
 THOROLD W. J. ROBERTSON..... “
 TORONTO (Chief Office).. { JOHN C. KEMP..... “
 { L. BOLSTER Sub Mgr.
 798 QUEEN ST. EAST A. BRADLEY..... Manager.
 448 YONGE, COR. COLLEGE. T. S. HARRISON..... “
 791 YONGE ST..... R. J. MONTGOMERY..... “
 268 COLLEGE, COR. SPADINA R. C. MCHARRIE..... “
 546 QUEEN ST. WEST..... G. A. HOLLAND..... “

BRANCHES AND AGENCIES—Continued.

| | | |
|-----------------|--------------------|----------|
| WALKERTON | G. W. MCKEE..... | Manager. |
| WATERLOO | H. J. GRASETT..... | “ |
| WINDSOR | H. B. WALKER..... | “ |
| WOODSTOCK..... | D. H. CHARLES..... | “ |

UNITED STATES—

| | | |
|----------------|---------------------|-----------|
| NEW YORK | { ALEX. LAIRD | } Agents. |
| | { WM. GRAY..... | |

BANKERS AND CORRESPONDENTS.

GREAT BRITAIN—

The Bank of Scotland.

INDIA, CHINA AND JAPAN—

The Chartered Bank of India, Australia and China.

AUSTRALIA AND NEW ZEALAND—

The Union Bank of Australia, Limited.

PARIS, FRANCE—

Messrs. Lazard Frères & Cie.

BRUSSELS, BELGIUM—

Messrs. J. Matthieu & Fils.

NEW YORK—

The American Exchange National Bank of New York.

SAN FRANCISCO—

The Bank of British Columbia.

CHICAGO—

The American Exchange National Bank of Chicago.

BRITISH COLUMBIA—

The Bank of British Columbia.

HAMILTON, BERMUDA—

The Bank of Bermuda.

GENERAL STATEMENT

31ST MAY, 1890.

LIABILITIES

| | |
|---|-----------------|
| Notes of the Bank in circulation..... | \$ 2,458,803 00 |
| Deposits not bearing interest..... | \$2,772,898 27 |
| Deposits bearing interest, including interest accrued to date..... | 9,720,985 22 |
| | 12,493,883 49 |
| Balances due to other Banks in Canada..... | 9,009 15 |
| Balances due to Foreign Correspondents..... | 7,495 02 |
| Balances due to Agents in Great Britain..... | 577,873 59 |
| Unclaimed Dividends..... | 1,481 08 |
| Dividend No. 46, payable 2nd June..... | 210,000 00 |
| Capital paid up..... | \$6,000,000 00 |
| Rest..... | 800,000 00 |
| Balance of Profit and Loss Account carried forward..... | 37,974 68 |
| | 6,837,974 68 |
| | \$22,596,520 01 |

ASSETS

| | |
|--|-----------------|
| Specie..... | \$ 464,068 58 |
| Dominion Notes..... | 678,378 75 |
| | \$ 1,142,447 33 |
| Notes of and Cheques on other Banks..... | 548,856 98 |
| Balances due by other Banks in Canada..... | 112,912 11 |
| Balances due by Agents of the Bank in the U.S..... | 1,154,997 55 |
| British and Canadian Government Securities, Municipal and other Stocks and Bonds..... | 1,145,994 41 |
| Call and Short Loans on Stocks and Bonds..... | 868,102 18 |
| | \$ 4,973,310 56 |
| Time Loans on Stocks and Bonds..... | 494,149 08 |
| Other Current Loans and Discounts..... | 16,086,903 10 |
| Bills Discounted Overdue, not specially secured (loss fully provided for)..... | 57,119 75 |
| Overdue Debts, secured..... | 80,764 85 |
| Real Estate (other than Bank Premises)..... | 103,040 87 |
| Mortgages..... | 157,654 43 |
| Bank Premises and Furniture..... | 603,582 71 |
| Other Assets..... | 39,994 66 |
| | \$22,596,520 01 |
| | \$22,596,520 01 |

B. E. WALKER, General Manager.

THE CANADIAN BANK OF COMMERCE

REPORT OF THE PROCEEDINGS

OF

THE ANNUAL MEETING OF SHAREHOLDERS

TUESDAY, 17TH JUNE, 1890.

The twenty-third Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held at the Head Office of the Bank on Tuesday, 17th June, 1890, at 12 o'clock noon. There was a fair attendance of Shareholders, amongst those present being : Messrs. Henry W. Darling, Geo. A. Cox, John I. Davidson, Matthew Leggat, Hamilton ; John Hoskin, Q.C., LL.D., W. B. Hamilton, George Taylor, Gilman Cheney, Montreal ; Edward Martin, Q.C., Hamilton ; Edward Mitchell, Hamilton ; Wm. Hendrie, Hamilton ; Rev. Dr. King, Winnipeg ; John Nicol, Ashburn ; Hugh Moore, Dundas ; John Battle, Thorold ; Samuel Nordheimer, John Y. Reid, David McGee, Geo. Robinson, Walter S. Lee, David Lewis, John Scott, Dr. Ogden, &c., &c.

On motion, the President, Mr. Henry W. Darling, was elected Chairman of the meeting, and Mr. J. H. Plummer, the Assistant General Manager, was appointed to act as Secretary.

It was moved by Mr. John Hoskin, Q.C., seconded by Mr. John I. Davidson, that Messrs. Philip Browne, R. H. Temple, and George T. Alexander act as scrutineers.

The President called upon the Secretary to read the Annual Report of the Directors as follows :—

REPORT.

The Directors beg to present to the Shareholders the twenty-third Annual Report, covering the year ending 31st May, 1890, together with the usual Statement of Assets and Liabilities.

| | |
|---|---------------------|
| The balance at credit of Profit and Loss Account brought forward from last year is | \$ 33,912 28 |
| The net profits for the year ending 31st May, after providing for all bad and doubtful debts, amounted to | <u>524,062 40</u> |
| | <u>\$557,974 68</u> |

Which has been appropriated as follows :

| | |
|---|---------------------|
| Dividends Nos. 45 and 46 at seven per cent. per annum | \$420,000 00 |
| Transferred to Rest Account | 100,000 00 |
| Balance carried forward | <u>37,974 68</u> |
| | <u>\$557,974 68</u> |

It will be observed that the net earnings for the year, after making the usual full provision for all bad and doubtful debts and assets, amount to \$524,062.40, out of which we have paid the customary dividend of 7 per cent. and transferred to Rest Account \$100,000, carrying forward at credit of Profit and Loss Account \$37,974.68. In view of the somewhat difficult conditions under which banking has been carried on in Ontario during the past few years, it is hoped that these results will be satisfactory to the Shareholders.

The usual thorough revaluation of the entire assets of the Bank, and the fullest provision for every item about which there is an element of doubt, have been made. All the branches, agencies, and departments of the Bank have been inspected during the year.

Branches of the Bank have been opened during the year at Cayuga and Waterloo and at two additional points in the

city of Toronto, the new establishments being in each case the natural outgrowth of the business already enjoyed by the Bank.

Since our last Annual Meeting the Bank's new building in Toronto has been completed. The portion of the building reserved for our own use, which we have occupied since January, has proved to be admirably adapted to our purposes, and in every respect worthy of the institution. The beneficial effect of the change on the work of the officers has already been felt, and a substantial increase has taken place in the business done. We have ample accommodation for future growth.

All the offices not required by the Bank, namely, the basement and the three upper floors, have, with the exception of seven or eight rooms, been leased to tenants of the highest class. We are already assured as to the judicious nature of the investment.

It gives the Directors pleasure again to express their satisfaction regarding the fidelity and efficiency with which the officers of the Bank have performed their respective duties.

HENRY W. DARLING,

President.

In moving the adoption of the Report the President said :

I do not propose to delay you at all with any general remarks upon the management of the Bank during the year, as the General Manager has some information to lay before you. There is one matter, however, which might properly have found a place in the Report, namely—that we had the misfortune to lose during the year one of our Directors in the person of Mr. William Gooderham. During the time he was associated with us we had learned to esteem him very highly for his personal character and for the devotion which he gave to the duties assigned to him here. In accordance with the by-laws of the Bank, Mr. Hoskin was elected to fill his place at the Board until the Annual Meeting. Apart from this the statement is quite full and comprehensive as to the business

of the Bank and the results of the operations for the past year, and before moving its adoption I will ask the General Manager to make any remarks he may have prepared.

GENERAL MANAGER'S ADDRESS.

The General Manager then spoke as follows :

The Directors in their Report have doubtless said all that it is necessary to say regarding the results of the year, and I will, as usual, confine my remarks mainly to other matters of interest in connection with the Bank. I may be permitted, however, to draw your attention to the fact that the percentage of our net profits compared to Capital and Rest is as high as that of any of the banks in Canada, having a capital approximately as large as our own. Our deposits during the year have substantially increased, and it is a satisfaction to be able to say that this result has been obtained despite the fact that we refuse to compete with banks paying high rates for money.

Since the present administration assumed charge several branches have been opened, but these are all, with one exception, in localities where the Bank already has interests to protect and advance. While we may at any time enter into new fields, we are at the moment chiefly engaged in taking care of the very large business already enjoyed by the Bank. I alluded a year ago to the number of Shareholders upon our books, a number larger than in any previous year. A reference to the list before you will show that there is again a very considerable addition, a matter, as you will understand, of great satisfaction to the Directors and myself.

CROPS.

The hopes entertained a year ago regarding the crops in Ontario were unfortunately not realized, and our farmers have been obliged to submit to meagre returns for their labour for two or three years in succession. It is, however, a matter for congratulation that the diversified nature of

farming in this province has sufficiently sustained the general prosperity of the farmer to avert the trouble which a failure of the grain crops would have caused ten or fifteen years ago. But if the returns from cereals have been bad, farmers have done fairly well with their cattle, and we have again an increase in the amount of cheese manufactured and the money return therefrom, the product of the year ending 31st March being nearly 93,000,000 pounds, valued at \$9,250,000. The export of eggs from the province reached ten million dozen, the price to the farmer averaging about 11½ cents. This is lower than the price for 1887 and 1888, but speculation on the part of dealers during these years advanced prices beyond what the U.S. market ultimately justified. It will be unfortunate if another market has to be found, as no product of the farm has maintained its value more steadily during the period of general decline in prices. The profit from raising hogs, which is yearly becoming a more important feature with our farmers, has been particularly satisfactory.

Whatever the outcome of the present season may be, the prospect of success is always pleasant, and the crop reports of the North-West and of Ontario are at the moment quite satisfactory. The hay crop again promises to be very large, and we may hope for a still further increase in the manufacture of cheese; a greater number of hogs will be raised than heretofore; experiments looking to the production of barley suited to the English market, already successful in some parts of Canada, will be still further pursued, so that, whatever may be the results of unfavourable seasons or a hostile tariff, our farmers will doubtless prove equal to the occasion.

AGRICULTURAL IMPLEMENTS.

I have little to add to my remarks a year ago regarding the manufacture of agricultural implements. We have had another season in which the production exceeded previous years, the sales, however, keeping pace with the production. The wisdom of steadily increasing the output as long as sales

are maintained depends, of course, on the continuance of satisfactory payments by the farmers. In the North-West payments have been unsatisfactory. In Ontario they have been well maintained, perhaps not quite as high a percentage as in the best of recent years, but high enough to afford gratifying evidence as to the paying power of our farmers under quite unfavourable conditions. Clearly much depends on the present crop, but whether it be bountiful or not, it will be well if the production of implements is checked for the moment. The foreign trade is growing to large figures, and must eventually have an important bearing on the prosperity of this great branch of business in Ontario.

THE LUMBER TRADE.

The winter operations in connection with the timber and lumber trade have been carried on without undue cost, but under the disadvantage of unsteady weather and considerable illness among the men in the woods from the prevailing epidemic. As a whole, logs must have cost somewhat more than in ordinary years. There has been no difficulty in driving, and the mills will be plentifully supplied. In fact, notwithstanding the curtailment in production last winter, we must hope there will also be a reduction next winter, as it is clear that in many respects the market is not what it has been the past few years. The market in the United States is fairly satisfactory, but the fears expressed a year ago regarding the South American market have been realized, and what with strikes and a smaller volume of building operations at home, prices are barely sustained and sales are not so easily made as could be desired. In this connection it is a satisfaction to notice that the production of pine saw-logs in the Ottawa district for 1889-90 (including a smaller stock carried over than usual) is slightly below the average of nine years past. The cut in other localities is also considerably reduced as compared with that of two years ago, so that the trade in lumber is still in a healthy condition, if not so positively prosperous as heretofore. We are not interested to

any extent in the square timber trade and have no special knowledge concerning it, but it seems clear that, tempted by the high prices of late years, manufacturers have overproduced, the output in the Ottawa district being 60 to 70 per cent. higher than the average of the last nine years.

GOVERNMENT SAVINGS BANKS.

Since our remarks a year ago regarding the rate paid for money deposited in the Post Office and Government Savings Banks, we are glad to state that a slight movement in the right direction has been made, the rate having been reduced from 4 to $3\frac{1}{2}$ per cent. last autumn. The general opinion had obtained that when any action was taken in the matter the rate would be reduced to 3 per cent., and we will hope that this may still be brought about in the near future.

THE NEW BANKING ACT.

During the year the new Banking Act, in connection with which our charters are renewed, was passed. Owing to the fact that bank charters are renewed for periods of ten years, while the charters of other corporations are as a rule indefinite, we appear to be condemned for at least one parliamentary session in each ten years to fight for our existence. In a country where the conditions subject to which banking profits are made are less favourable than in any other progressive country in the world, the desire of many individuals in the community seems to be to make the banking laws as complicated and difficult as possible, while mere jealousy of the few privileges enjoyed by banks, which privileges are made instruments for the welfare of the country, causes them to desire to overthrow principles in our system the loss of which would be far more hurtful to the public than to the banks. There was at one time considerable fear that one of the main principles of the Act would be departed from and the business interests of the country submitted to the dangers incident to a change in the form of currency. The members of the Government, however, have instead wisely concluded

to make as much more perfect as possible the laws under which we have worked the business of banking and supplied a currency to the Dominion for the past twenty years.

The United States National Banking System, although much less perfect as a banking system than our own, provides a currency at no time exactly in accordance with the needs of the country as ours is, and at present entirely inadequate, but having the quality of passing over the whole area of the country, without discount for geographical reasons or on account of the standing of the bank issuing it. Section 55 of our new Act provides against discount on bank notes for geographical reasons by requiring every bank in the Dominion to arrange at the commercial centre of each province for the redemption of its notes : and Section 54 provides against the possibility of the notes of a suspended bank falling to a discount between the moment of suspension and the date of payment by the liquidator. This will be accomplished by the creation of an insurance fund, the liability of each bank to which, while greater than there is necessity for, is not really a serious matter at all, and if our experience is not worse than it has been for twenty years past will never cost us any loss of money. In this manner the bank-note issues of Canada have been given the one good quality of the United States National bank-notes without incorporating into our Act any of the objectional features of that system. This is a matter for much more congratulation than people realize who have not leisure in which to study the problems of banking.

Perhaps the change in the conditions under which banks may hereafter be created is as important as anything in the new Act. It is necessary on the one hand that banking in Canada shall not partake in any sense of the nature of monopoly, but it is equally as necessary that banks shall not be created by men who have motives for doing so other than the proper motive of embarking in a business enterprise because they believe it will pay. It is well known that banks

have been created at a time when the business was suffering from severe competition, a force calculated to do more mischief in banking than in any other kind of business. Perhaps some politician had a charter to dispose of and an ambitious bank officer was anxious to try his hand at general management, and friends could be found willing to permit their names to be used as provisional directors, or to subscribe for stock on the understanding that they would sell the stock shortly after the bank was in operation.

In the present Act there is nothing to deter any body of men who wish to start a bank for *bona fide* purposes from doing so, but every effort is made to prevent the creation of a bank which is not supported by a fairly large actual cash capital, and a body of shareholders who believe that the bank in question is necessary to the wants of the community, and will therefore be a profitable enterprise.

The motion for the adoption of the Report was then briefly seconded by Mr. George A. Cox and carried.

It was moved by Mr. Edward Martin, Q.C., seconded by Mr. A. V. Delaporte and carried, 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 year.

Mr. Darling returned thanks in a few words for the Directors and himself, remarking that the Board had devoted much time and attention to the business of the Bank during the year.

Moved by Mr. George Robinson, seconded by Mr. Hugh Ryan, that the thanks of the meeting be tendered to the General Manager, Assistant General Manager, and other officers of the Bank for the satisfactory discharge of their respective duties during the past year.

Mr. Walker, in acknowledging the vote of thanks on behalf of himself and the officers, said: We have now a very large staff indeed, upwards of 300 men in fact, and I think I

may say that in the matter of zeal and determination to do all that they can to advance the Bank's interests our staff is second to none in Canada.

Mr. Plummer also thanked the meeting, and assured those present that the officers always appreciate these resolutions and would miss them if they were omitted. "Success in the business of banking is peculiarly dependent on the good will, the zeal and energy of the staff. The business could not be built up, or maintained, or carried on safely if the men did their work in a perfunctory or mechanical manner, and in respect to these matters we have a staff which deserves all that the Board and the Shareholders have said."

Moved by Mr. John Scott, and seconded by Dr. U. Ogden, that the meeting do now proceed to elect Directors for the coming year, and that for this purpose the ballot-box be now opened and remain open until three o'clock this day, the poll to be closed, however, whenever five minutes shall have elapsed without a vote being tendered. The result of the election to be reported by the scrutineers to the General Manager.

Before putting the resolution Mr. Darling spoke as follows :—

Before leaving the chair which I have had the honour of occupying for the past four years, perhaps I may be permitted to say a few words upon a subject personal to myself.

You are aware I was invited to occupy the position of President in 1886 by the founder of the Bank, the late Hon. William McMaster, at an important juncture in its history, when I might very well have shrunk from assuming the responsible duties which were entirely new to me, all the more that my engagements were already onerous.

Having reduced these to the narrowest limits possible, and strong in the confidence reposed in me by the Shareholders, the public and my fellow-citizens, I addressed myself to the task assigned to me, with the single aim of bringing the institution to the highest state of efficiency as to its manage-

ment, so that it might enjoy such a measure of public confidence as would enable it to minister to the commercial requirements of the country with profit to the Shareholders.

In this I have been cordially supported by the gentlemen who from time to time have been associated with me as my co-Directors, and the zeal and ability shown by the Managers and the staff have been frequently and appreciatively alluded to.

The period covered by my incumbency of office has been marked by events which have given special prominence to the duties and responsibilities of Directors of banks and other monetary institutions by the pronounced success of some and the lack of success in others. I think it may be truthfully said of this Bank that through the attainments of the past four years it occupies to-day a position of stability and prosperity which ought to be highly satisfactory to the Shareholders.

It will always be a matter of grateful recollection to me that so much has been accomplished during my term of office, and that in the performance of the responsible duties of President I have been able to contribute in some degree to the success that has been achieved.

I do not propose here to enter into the causes which now prevent my enjoyment of the fruit of much anxious thought and unselfish devotion to your interests; I am led to surrender to you the trust committed to me because my retirement seems at the moment the way in which I can best serve the Shareholders, as I have sought to do throughout.

I shall watch with undiminished concern the further history of the Bank, and I shall esteem it a privilege to promote its prosperity in every way in my power.

The Rev. Principal King made some complimentary remarks respecting the retiring President, and the motion being put was carried.

It was then moved that Mr. Darling should leave the chair and that the Vice-President should act as Chairman.

This being carried Mr. W. B. Hamilton addressed the meeting as follows :

I have a resolution to submit for your consideration which will, I apprehend, meet with the cordial approval of the meeting. Many of the Shareholders will have learned with regret that the President has intimated his intention of retiring from the Directorate. The valuable services which he has rendered and the untiring zeal and energy with which he has devoted himself to the interests of the Bank during the last four years have, in the unanimous opinion of the retiring Board, entitled him not only to a cordial vote of thanks, but to a substantial and tangible recognition of these services, and I have therefore much pleasure in submitting the following resolution, which Mr. Taylor will second :

“ That on the occasion of the retirement of Mr. H. W. Darling from the Board, and in recognition of his past services as President of the Bank, the General Manager be instructed to pay him the sum of ten thousand dollars.”

Mr. George Taylor seconded the resolution and it was carried unanimously.

The meeting then adjourned.

The scrutineers subsequently reported the following gentlemen to be elected Directors for the ensuing year: George A. Cox, James Crathern, John I. Davidson, Wm. B. Hamilton, John Hoskin, Q.C., LL.D., Robert Kilgour, Matthew Leggat, George Taylor.

At a meeting of the newly-elected Board of Directors held subsequently, George A. Cox, Esq., was elected President, and John I. Davidson, Esq., Vice-President.