

THE CANADIAN BANK OF COMMERCE

HEAD OFFICE - TORONTO, ONTARIO

CAPITAL PAID-UP - - - - - \$6,000,000
REST - - - - - \$1,200,000

DIRECTORS:

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

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.

ONTARIO—

AILSA CRAIG.....	G. M. WEDD.....	Manager.
AYR	JOHN WYLLIE.....	Agent.
BARRIE	H. H. MORRIS.....	Manager.
BELLEVILLE.....	C. M. STORK	“
BERLIN	W. C. J. KING	“
BLENHEIM.....	J. E. THOMAS.....	“
BRANTFORD.....	JEFFERY HALE.....	“
CAYUGA	W. C. T. MORSON	“
CHATHAM	J. E. THOMAS.....	“
COLLINGWOOD	JAS. BRYDON.....	“
DUNDAS.....	F. W. HOLMESTED	“
DUNNVILLE	R. G. W. CONOLLY	“
GALT.....	J. M. DUFF	“
GODERICH	R. S. WILLIAMS.....	“
GUELPH.....	B. R. MCCONKEY	“
HAMILTON	WM. ROBERTS	“
JARVIS.....	W. C. T. MORSON	“
LONDON	D. B. DEWAR	“
ORANGEVILLE	H. T. WILLS.....	“
OTTAWA	ROBERT GILL	“
PARIS	R. C. MACPHERSON.....	“
PARKHILL	G. M. WEDD.....	“
PETERBORO.....	WM. MANSON.....	“
ST. CATHARINES.....	F. O. CROSS	“
SARNIA	T. W. NISBET.....	“
SAULT STE. MARIE	D. MCGREGOR	“
SEAFORTH.....	M. MORRIS.....	“
SIMCOE	E. COWDRY	“
STRATFORD	W. MAYNARD, JR.	“
STRATHROY.....	L. H. DAMPIER.....	“
THOROLD	F. O. CROSS	“
TORONTO (Chief Office) ..	{ JOHN C. KEMP.....	“
	{ JOHN AIRD.....	Asst. Mgr.
268 COLLEGE, COR. SPADINA	G. A. HOLLAND.....	Manager.
163 KING ST. EAST.....	R. C. MCHARRIE.....	“
399 PARLIAMENT ST.	V. E. HART.....	“
712 QUEEN ST. EAST	E. M. PLAYTER	“

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—

Crédit Lyonnais.

Messrs. Lazard Frères & Cie.

GERMANY—

Deutsche Bank.

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.

DULUTH, MINNESOTA—

The First National Bank.

BRITISH COLUMBIA—

The Bank of British Columbia.

HAMILTON, BERMUDA—

The Bank of Bermuda.

KINGSTON, JAMAICA—

The Bank of Nova Scotia.

GENERAL STATEMENT

31ST MAY, 1894.

LIABILITIES

Notes of the Bank in circulation	\$ 2,370,925 00
Deposits not bearing interest.....	\$ 2,656,624 68
Deposits bearing interest, including interest accrued to date	14,913,611 97
	17,570,236 65
Balances due to other Banks in Canada	12,615 94
Balances due to Agents in Great Britain	797,856 68
Dividends unpaid	1,219 07
Dividend No. 54, payable 1st June.....	210,000 00
Capital paid-up.....	\$6,000,000 00
Rest	1,200,000 00
Balance of Profit and Loss Account carried forward.....	19,157 02
	7,219,157 02
	\$28,182,010 36

ASSETS

Specie.....	\$411,001 35
Dominion Notes.....	718,146 25
	\$ 1,129,147 60
Deposit with Dominion Government for security of Note circulation.....	157,875 00
Notes of and Cheques on other Banks.....	607,089 43
Balances due by other Banks in Canada	86,293 11
Balances due by Agents of the Bank in the United States..	1,782,799 16
Balances due by Foreign Correspondents	6,979 80
Canadian Government Securities, Municipal and other Bonds	2,248,795 55
Call Loans on Stocks and Bonds.....	1,822,856 37
	\$ 7,841,836 02
Time Loans on Stocks and Bonds.....	1,003,295 57
Other Current Loans and Discounts.....	18,275,150 27
Overdue Debts (loss fully provided for)	123,045 83
Real Estate (other than Bank Premises).....	19,997 98
Mortgages.....	115,397 14
Bank Premises and Furniture.....	732,506 08
Other Assets	70,781 47
	\$28,182,010 36

THE CANADIAN BANK OF COMMERCE

REPORT OF THE PROCEEDINGS

OF

THE ANNUAL MEETING OF SHAREHOLDERS

TUESDAY, 19TH JUNE, 1894.

The twenty-seventh Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking-house on Tuesday, 19th June, 1894, at 12 o'clock. Among those present were :—Messrs. Geo. A. Cox, John I. Davidson, W. B. Hamilton, Robert Kilgour, Matthew Leggat, Hamilton; Hugh Ryan, Dr. U. Ogden, B. Homer Dixon, John Catto, Thomas Kirkland, M.A., A. V. Delaporte, Thomas Walmsley, Robert Swan, John Scott, John Nicol, James Neilson, Geo. Robinson, I. McG. Chafee, John Tucker, Allanburgh; Philip Browne, J. Lorne Campbell, Æmilius Jarvis, G. T. Fergusson, and others.

On motion, the President, Mr. Geo. A. Cox, was requested to take the chair, and Mr. J. H. Plummer, the Assistant General Manager, was appointed to act as Secretary.

It was moved by Mr. W. B. Hamilton, seconded by Mr. R. Kilgour, that Messrs. Philip Browne, J. Lorne Campbell and Æmilius Jarvis 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-seventh Annual Report, covering the year ending 31st May, 1894, together with the usual Statement of Assets and Liabilities :—

The Balance at credit of Profit and Loss Account, brought forward from last year, is.....	\$ 23,561 12
The net profits for the year ending 31st May, after providing for all bad and doubtful debts amounted to.....	528,095 90
	<u>\$551,657 02</u>

Which has been appropriated as follows :—

Dividends Nos. 53 and 54, at seven per cent. per annum	\$420,000 00
Transferred to Rest Account.....	100,000 00
Written off Bank Premises and Furniture	12,500 00
Balance carried forward.....	19,157 02
	<u>\$551,657 02</u>

The usual careful revaluation of the entire assets of the Bank has been made, and all bad and doubtful debts have been amply provided for.

The various branches, agencies and departments of the Bank have been inspected during the year.

A branch of the Bank was recently opened at Waterford with a view of retaining valuable deposit and discount business in that neighbourhood, which would otherwise have found its way to other institutions.

The very difficult and laborious work connected with the establishment of a Superannuation Fund has been concluded, but not in time to enable the accounts of the Fund to be actually opened during the year which has just closed. It is, however, confidently expected that the Fund will be in operation in a few weeks.

During the year we have lost by death the oldest Director of the Bank, Mr. George Taylor. In 1871 he succeeded his brother, Mr. John Taylor, who had been a Director of the Bank from its commencement. For over a year past, owing to the state of his health, he had been unable to attend the

meetings of the Board, and in this connection a resolution will be offered to the Shareholders reducing the number of Directors to seven.

The Directors have again pleasure in recording their appreciation of the efficiency and zeal with which their respective duties have been performed by the officers of the Bank.

GEO. A. COX,
President.

The Report having been read, the President said :—

PRESIDENT'S ADDRESS.

In moving the adoption of the Report I think I may count with more than usual confidence upon the approval of the Shareholders, because, notwithstanding a year of unparalleled disaster throughout the world, we are able to present a statement not remarkably different from past years. The profits are only slightly less than for the past two years, and the addition to the Rest is the same as we have been able to make for the past seven years. The only changes in our Statement which might call for comment arise from the general shrinkage of business which it will be seen has not affected us very seriously.

Our notes in circulation are always at a low point in May, but this year the amount is smaller by \$330,000 than last year.

During the year, deposits of the class which are lodged with banks until mortgage or other investments can be secured, were withdrawn to a very large extent, but by the natural growth of our business this was almost made up by the end of the year, our deposits being now but \$400,000 less than at the close of the previous year, which was the highest in the history of the Bank. There would have been no difficulty in largely increasing our deposits had we been willing to meet the competition in rates, but as our current loans and discounts are over a million dollars less than a year ago, that would have been an unwise course to pursue.

The immediate outlook is not very promising for the banks in the matter of making profits. During the first half of the past year our earnings were very good indeed, but the period of financial strain and the subsequent liquidation in the volume of general business have completely altered the situation, as was to be expected. In the struggle to obtain deposits during the period of strain some banks and other institutions paid rates for money which, if warranted at all, were only warranted for a few weeks. The effect of this on those who had deposits likely to be withdrawn by such offers, and who felt obliged to meet the competition, was to raise somewhat the average cost of deposits at the very time when it was clear that we were entering upon a period of liquidation, and therefore of easy money. For a few weeks the borrowers from banks had to pay a slightly increased rate, but this not only lasted a very short time, but in addition the liquidation of mercantile discounts which followed has largely increased the amount invested in loans on stocks and bonds, the average rate of interest on which at the moment is very unsatisfactory.

The borrowing public of Canada will doubtless never know just what they owe to the banks for the policy followed by the latter during the summer and autumn of 1893. Bankers are supposed to be as willing as private individuals to lend at the highest obtainable rates to whoever will give the best security, and where they do otherwise it is presumed self-interest is the only reason which causes them to refrain from selecting whichever business will at the moment pay the best. No doubt this is quite true, but it is well to remember that some credit is due to those who see their self interest in a broad, instead of a narrow policy. During the summer and autumn of 1893 the applications for loans from private individuals and firms, industrial companies, municipal corporations, banks, and in fact every kind of business concern in the United States, from the Western States to the Atlantic Seaboard, were simply without number, and those who came were but the select few who felt because of the sufficient security

they had to offer, and the high rates they were prepared to pay, their wants would surely be supplied. As a rule the answer from all Canadian banks was the same, and it was, that at the moment they were taking care of their own country. Private individuals in Canada availed themselves largely of the chance to obtain high rates, but the banks did not. Some Canadian borrowers were annoyed at the slight advance in rates, but they did not reflect that the money lent to them could have been lent elsewhere at very much higher rates of interest, nor did some of them reflect upon the difference between a country where the solvent borrower could not obtain a loan, no matter how good the security, and this country, where it may be safely said that no worthy customer of a bank found his banking facilities in any way curtailed.

The General Manager will have something to say to you regarding the critical time through which the world is passing, and I will not say anything further upon that point, but in this period where so many in making up their annual accounts have losses to reckon with, instead of gains, I may be permitted to say something regarding a class of losses now being borne by many Canadians, which are to be regretted for the unsound business ideas they indicate more than for the actual money losses sustained. We hear every now and then of large sums of money having been transmitted through brokers' offices to cover margins on adverse speculations in Chicago and New York. I would be afraid to repeat some of these statements because, no matter how true, many people would refuse to believe them, but it is certain that in the aggregate the stock and grain speculating public of Canada have had to bear losses amounting to many millions of dollars—a very serious and direct burden upon the industry of this country. We are not likely to fail in sympathy for those who make losses in attempting to build up an industry, or to carry on any real trading venture ; they have perhaps helped the country although they have failed to make money for themselves, but this species of gambling which year after year only results in

taking money out of Canada to help support the brokers in Chicago and New York, is very much to be regretted. It is a pity the law is powerless to restrain them for their own good, and to protect the business morals of the community. Many a Canadian who by attention to his legitimate business was developing habits of thrift and industry, which would make him valuable to the community and useful to himself, and who has been induced to deal in Chicago, has early in his experience made a little money, and has thus been led to feel that the old methods of moderate profits for daily toil were slow and wearisome, but later on, when his speculations went against him, he has found that he has not only lost his money, but has also impaired or lost his habits of perseverance and industry, and in many cases becomes discouraged and joins the already overcrowded ranks of unsuccessful traders.

It is with deep regret that we have to record the removal by death since our last Annual Meeting of Mr. George Taylor, who, for a period of twenty-three years, was a valued and highly respected member of our Board. His prompt and regular attendance at the meetings (until prevented by impaired health), his kind and courteous disposition and his devotion to the interests of the Bank will long be remembered by his colleagues.

A resolution will be submitted for your approval, fixing the number of Directors at seven.

In conclusion, I want to say on behalf of my fellow Directors and myself, how much we are indebted and how much the Shareholders are indebted for the unceasing care and attention given to the interests of the Bank by the General Manager, Assistant General Manager, Inspectors, local managers and entire staff. The safe and profitable employment of over twenty-eight millions of dollars during the most prosperous times and under the most favourable circumstances requires ability, energy and unremitting attention on the part of the executive and their staff, and this is the case to a much greater extent during a period such as the

financial and commercial world have been passing through. That this Bank has received such attention is evidenced by the Annual Statement that I have now the pleasure to submit for your approval.

The Vice-President briefly seconded the resolution, and the General Manager then spoke as follows :—

GENERAL MANAGER'S ADDRESS.

As the President has dealt so fully with the Statement of the Bank and its earnings, I will not trespass on your time in that connection. Considering the year through which we have passed, it is perhaps a sufficient matter of congratulation that we are able to meet the Shareholders with our customary exhibit of reasonable prosperity. Canada has escaped from the serious losses following the panics in various countries, and in congratulating ourselves, we are apt to regard ourselves as in some way out of the currents which have so affected almost every nation as to bring about a world-wide liquidation. If this were true, it would mean either that our affairs were so small and our situation so isolated as to enable us to keep from being entangled in the general wreck, or that we were much more prudent and far-seeing than others. We all know that this is not true. We are not so small as to escape entanglement nor so clever as to avoid altogether mistakes which have been general throughout the world. We may, however, take considerable satisfaction out of the moderation of our course in public and private business for some years past, whether this course was enforced upon us by conditions we could not alter, or was the result of our own prudence ; and we may congratulate ourselves upon the soundness of our business institutions because whatever may be the reason they certainly stood the test admirably in a time of great trial.

STATE OF TRADE.

The financial events of the past year have been of too dramatic a nature to have passed from your memory, and it would not be worth while to occupy your time in recalling

them in any extended remarks, but a few words may not be amiss, bearing in mind that the interests of Canada and the United States are so intimate that no event of commercial importance can happen to the latter country without in some measure affecting us, or at least offering us an object lesson for our guidance in the future.

When I addressed the Shareholders a year ago, the collapse in Australia and Italy had taken place, and we were already wondering why the acute stages of the panic in the United States did not abate. Whatever may have been our sense of the gravity of the situation, however much we may have predicted trouble as certain to arise from unwise silver and currency legislation and unexampled speculation in business, we were all equally astonished at the terribly prolonged period of actual panic which resulted. A panic is generally shortlived, no matter how extended the period of depression which follows, but this particular panic lasted from May until the close of August, without any abatement of its feverish conditions. During the year 1893 about 600 national, state, savings and private banks and trust and mortgage companies, suspended with liabilities of about \$170,000,000. At the close of the year less than 200 had resumed. Hundreds of savings banks were obliged to avail themselves of the notice required from depositors, although it is but fair to state that this was in many cases resorted to as the easiest way of allaying the panic in the particular town or city. The failures in general business, including the banks, as recorded by Bradstreet, reached, in the nine months ending 1st October, 11,174, the liabilities amounting to the astounding sum of \$325,000,000.

Apart from this, railroad companies representing one-third of the mileage of the United States, passed into the hands of receivers, and manufacturing establishments throughout the entire country either shut down entirely or enormously curtailed production. The manifestation of the extent of the over-supply of commodities which had been

produced, combined with the intense pressure to sell at any sacrifice; the suddenly developed inability to buy even for ordinary wants, and the prospect of a much diminished purchasing power for a long period, brought about a collapse in prices such as few nations have been called upon to bear, and indeed such as few nations could bear without absolute ruin. If we realize that most of the loss is irrecoverable, that in the aggregate it reaches some billions of dollars, that a very large part of the community has no capital accumulated, and, therefore, does not share in the mere loss from fall in values, we can understand how enormous the losses are which must be borne by individuals. Those who do not share in the loss from the fall in prices, experience in many cases the loss involved in lower wages, while hundreds of thousands have been thrown altogether out of employment.

The punishment for political and commercial unsoundness has been terrible, and will doubtless involve some years of trade depression, but if the lessons incident to the disaster were accepted by the people of the United States as a whole, even such a terrible trial would not be an unmixed evil. Unfortunately the party which governs from time to time in the United States is not the result of a diversity of opinion in national matters existing in every particular community, but a party the members of which in many cases come from sections where the feeling or self-interest is all in one direction. In consequence, questions of great national importance are apt to be settled in accordance with the benefits, or supposed benefits, to be derived in certain sections from following a course which nevertheless may be to the last degree hurtful to the nation as a whole. This is doubtless true to some extent in all countries possessing representative government, but surely in no other country does such absolute blindness to national interest exist as in the United States, owing to their habit of viewing all legislation from the geographical standpoint. By a great political effort, aided by the panic as a terrible object-lesson, the silver-purchase bill was

repealed, and it was hoped that this would convince those who extend credit to the United States that honest views had triumphed for all time. This was a vain hope, however, and it is as certain as ever that even at the risk of absolute ruin to the national finances, the sections interested in silver will continue to agitate for free coinage. A complete reform of the banking system is also necessary, and for at least two years past the press of the United States, east, west and south, have published articles without number on the subject, while at every convention of bankers it has been the burden of discussion. The pamphleteer has been busy and the students in the universities have made it the subject of debate or essay, and yet as between reform of the existing national banking system, or return to state bank circulation by the repeal of the tax, or the creation of a new system freed from the evils of both, there appears to be no settled public opinion and no basis of discussion which does not involve sectional as opposed to national interest.

We all know the recuperative power of that great country and the energy of its people, and we must admire the faith in their country which they exhibit, whether we look back at the splendid courage, fertility of resource, and keen sense of danger, exhibited by the New York bankers in the worst days of the panic, or at the present cheerful patience of the manufacturer and importer as they await the outcome of tariff legislation, ready as soon as the conditions are established to make headway against any sort of difficulty, so long as it is merely a difficulty and not a condition of uncertainty. But for the moment it is foolish to shirk the facts, which all point to a shrunken condition of business for some time to come. The extent of the shrinkage as exhibited in the clearing house returns is enormous. The total clearings of all the chief cities in the United States have fallen from sixty-two billion dollars to less than forty-six billion dollars in the year just closed.

Great Britain, with her own enormous losses to bear, is suffering very much from the inability of her chief customer to buy, and all Europe is similarly affected.

In Canada complaints of bad collections and diminished trading are general, and there are certainly many more idle men than usual, but none of these unfavourable conditions approach in degree to the conditions in other countries. Farmers' notes for implements, apart from the North-West, while not paid perhaps quite as well as usual, were nevertheless well paid, and mortgage interest and instalments were well met. Economy is general, and this, although such a good thing in itself, has much to do with the prevailing feeling that times are hard. The clearing house returns show a decrease from \$1,038,000,000 to \$925,000,000 for the year just closed, a falling off of only eleven per cent., as against twenty-six per cent. in the United States. Our prosperity of course depends very much on the power of other countries to buy, and we cannot expect that our foreign export trade will continue to grow as rapidly as it has during recent years. The main question for us is one of prices. On the import side we are benefited by the lower price of the manufactured articles and raw material we import. We are also likely to import most carefully, because the spirit of economy for the time being is very strong. When we turn to the export side the question is, do we export products of the kind at the moment not being over-produced by the world, and are we turning our attention to the products in which there is apparently the most certainty of a favourable market?

LUMBER.

For the year ending June 30th, 1893, the value of our exports of woods in all conditions, manufactured and unmanufactured, was about \$29,000,000, against \$25,000,000 five years ago.

What the year which is just closing will show we cannot say, but one of the features which showed conclusively in what strong hands the business is generally held, was the

promptitude with which the United States firms, who had contracted to take our lumber, carried out their obligations, notwithstanding the financial storm. Had it not been for this, our lumbermen would hardly have known what course to pursue during the past winter. As it was they doubtless intended, as a whole, to take out about the usual quantity, but the early mild weather broke up the winter roads, and, as a consequence, some hundreds of millions of feet are left in the woods. In the Ottawa district most of the logs were got out, and, despite some trouble with low water, will in the main reach the mills promptly. The logs held back are mainly in the Georgian Bay and North Shore districts.

In the Ottawa district, the cut of logs and the logs carried over will make the supply about the same as last year, a little over six million pieces, but the quantity of timber made is trifling.

The nature of the market will depend much on the United States tariff. The entire cut of deals has been contracted for and is being actively shipped to Great Britain, aided by low freights. The business with Great Britain in thin lumber is steadily growing and that part of the trade is very satisfactory. On the other hand, part of the lumber paid for by United States buyers is not yet shipped, and although many good contracts for this season's sawing have been made, the actual shipments are smaller than at any time recently. While this is due partly to the very bad condition of business in the United States, the settlement of the tariff will doubtless make a market for our lumber, although perhaps with a slight concession in price from last year. Stocks in the United States are said not to be large, and our supply will no doubt be required.

AGRICULTURAL INTERESTS.

Turning from the forest to the dairy, we have once more exceeded any previous record in cheese making, and by our victories at Chicago have advertised Canada as beyond doubt one of the greatest dairy countries in the world. For

the year ending 31st March, the value of cheese exported was \$14,647,000, a gain of about one million dollars on the previous year, and while we increase, the exports of the United States continue to decrease, falling last year for the same period to \$6,492,618, a decline of about one-and-a-half million dollars. The season in Canada has been profitable to both the cheese maker and the shipper, and the price in a year of general decline was nearly a quarter of a cent per pound higher in the average than for the previous year. New factories are not only being built in the districts noted for cheese making, but many parts of the country which have not heretofore produced cheese are now preparing to do so. The question of absolutely prime importance is that we shall keep up the high quality. The awards at Chicago may seem to make such a dread unnecessary, but it is at the moment when we have achieved the position of being the largest cheese exporters in the world and our reputation is at the highest, that we are apt to become careless. Putting the results of the June and October competitions together, Canada, out of 687 entries, obtained 608 awards, while the United States, out of 640 entries, obtained 54 awards.

The farmers generally, and especially the cheese factories, are at last taking up seriously the very important business of fattening hogs. Although as compared with cheese making and cattle feeding, it is only in its infancy, what may be done is indicated by the fact that while our exports of pork products down to 1889 were less than half a million dollars, for the year ending 30th June, 1893, they exceeded three millions. That we have something to learn as to quality and the kind of animal from which the best return can be obtained there is no doubt. As in every other farm product, if we are to secure the British market we must raise not the second-best but the best.

The business of shipping live cattle, which amounted five years ago in value to about \$9,000,000, had increased to nearly \$11,000,000 for the year ending 30th June, 1893, but during

the past year the business has been unprofitable to almost all concerned, both graziers and shippers. A fall of about one cent and a half per pound is a very serious shrinkage, but what relation the present somewhat improved price has to the actual cost of production is a matter not easy to learn. Even if the British restrictions were removed it would doubtless take some time for the business to entirely recover. Meantime the country is full of fat cattle, and in many parts the farmers' slowness in paying the storekeeper is doubtless due to the greater quantity of stock on their farms and not to inability. Many of the animals fed on grass this season have been bought by the graziers at very low prices, and the removal of the restrictions, accompanied as it would be by a slight improvement in price, would bring about large shipments. The prospect of fair treatment by Great Britain to our cattle is not very good, however.

The export of fruits in all conditions has exceeded in value \$3,000,000, while hay has reached half that figure. Both businesses are subject to large risks because of the great variability in the crop gathered, but the growing importance of fruit especially demands the attention of the better class of farmers. If as much intelligence as is applied to cheese-making could be applied to the orchard the results would astonish the people of Ontario. Of course my remarks do not apply to the Niagara and adjacent districts, where fruit growing is so well developed and so profitable.

It seems reasonably clear, then, that so far as the products of the forest and the dairy are concerned, we are prospering and need not fear over-production. In pork products we have room for indefinite expansion, and every farmer should bear this in mind. In our cattle trade the course is less clear and we can only hope for better prices and just treatment from Great Britain. We will also hope that the tariff legislation in the United States, when settled, will again give a reasonable measure of freedom to the trade in the products of lesser importance, but which in the aggregate have much to do with our farmers' prosperity.

During the last five years we have increased our exports about twenty-eight millions, the increase in the imports being only about fifteen millions, and the difference for the fiscal year ending 30th June, 1893, between imports and exports, was reduced to about ten millions against us. If we can even maintain this situation for a few years we will do well. We are likely to improve the comparison as far as imports are concerned, owing to the prevailing economy. Can we not also, by further improved methods, make the world still give the preference to our products because of superior quality and cheapness, and despite the smaller purchasing power of the world, continue to increase our exports?

There is, in the United States and Canada, a certain amount of discussion going on as to beet-root culture. It is claimed that we can easily excel Germany in growing beet-roots, and yet, for some reason, we have not made a success where it has been tried, and perhaps it may be said that we have not given it a practical trial at all. Without presuming to have any opinion on the subject, we would like every farmer to consider that we imported in 1893, \$7,500,000 worth of raw sugars, syrups, etc., and that, if even the proportion of that which was represented by German beet-root sugar, which for the United States and Canada is about one-fifth, could be supplied by Canadian farmers, the gain to Canada would be very great indeed. We pay to foreign countries for iron and steel and for raw sugar \$20,000,000, nearly one-sixth of our whole imports. If these are materials for the production of which we are by nature well situated, it is at least discreditable to such an enterprising people that more is not done to develop these industries.

The year has been, as we all know, particularly hard upon our people of the North-West, in common with the districts in the United States where wheat-growing is the leading feature in agriculture. A very low yield per acre and prices lower than ever before to a country depending mainly on grain, means something uncomfortably near disaster, and

there is no use in disguising the fact that in actual power to pay debts out of the current season's products, the farmers of the North-West were worse off during the past year than ever before. But it would be a mistake to conclude therefrom that the people of that part of Canada are doubtful as to their future.

In the course of their progress to material wealth our North-West provinces must expect the recurrence at intervals of such vicissitudes, and the question is, what are they to learn from the present experience? That they must raise everything for which there is a market other than wheat is clear, and in this they will only repeat the experience of what were once great wheat-growing States in the United States, but which have many years since passed the maximum of wheat acreage. That they must farm more within their own means, both as to capital and the employment of labour, seems clear, but they have in the past only displayed the same expansive tendencies as their fellow merchants, and as all people in new countries who have not yet got their financial bearings. Hereafter, both from lessened ability and greater dread of debt, there will be improvement. But while the experiments in mixed farming are being made and the dreary lessons of enforced economy are being learned, the fact remains that for years to come wheat must be the main item in what they have to sell, and, if they have to face the opening up of an indefinite area of new wheat lands in the Argentine and elsewhere, they may have a hard time of it for a while. But the Argentine has again collapsed financially, and its farmers are about to learn that fancy prices for wheat in worthless paper-money with gold at a premium of 325, may be quite delusive as to the profits of wheat-growing. We are not yet prepared to believe that the rude agriculturist of the Argentine can in the long run raise wheat cheaper, having regard to quality, than the farmers of the North-West.

Thrift and the highest intelligence in wheat culture, combined with an energy unknown to the mixed races of South America, must give the victory to us unless the question

be entirely one of transportation. But doubtless, as with most of the world's products, the question is one of transportation. The Canadian Pacific Railway claim to carry as cheaply as is possible, and in the present condition of railroad earnings this is probably true. But it is also true that railroads will year after year be forced to lower rates, and must somehow carry wheat to Europe at prices which will leave a living profit to the farmer over a series of years. The great transportation question, however, which is agitating many people in Canada and the United States, is the possibility of a better water transit. Can we not improve upon the Erie Canal as a means of getting to seaboard? Are we to see the foreign bound traffic of the upper lakes deported at Buffalo, or are we to try and secure that traffic, and, what is much more important, provide the necessary cheaper transportation to our North-West provinces? We who are inexperienced in the practical aspect of such matters talk vaguely about widening and deepening the present canals, or about a new canal across Ontario, or of connecting French River and Lake Nipissing, and thus making a route by the Ottawa River.

For lack of information we do not know what should be done, we only feel that something practical might be done. In such an emergency it seems clearly the duty of the Dominion Government to have surveys made and report on all the proposed routes, so that the people of Quebec, Ontario and the North-West provinces may at least be in a position to express an intelligent opinion on such a vital question. I am sure we are sufficiently free from local bias to hold up our hands for whatever route will accomplish the great end of being the cheapest from the west to the seaboard. If there are those who say we cannot afford the expenditure, the answer is that we do not know whether we can or not until an intelligent report is before us. If success in wheat growing is all important to the North-West, and if, having overcome the terrors of frost, the barrier is transportation, we must in some way remove it.

In the meantime let us remember that about 12,000,000 bushels of wheat and about 25,000 head of cattle were exported, and altogether the North-West realized about \$6,000,000 out of their products, which is not a very bad return for such a small population.

Reports from forty-five districts show that the acreage under crop in the North-West is as large as last year, in some districts larger, and while rain is much required in many places, prospects are quite good, and the general feeling is not at all one of discouragement.

In our own province there has been damage by rain on low lands and some replanting is necessary, but there is no reason to doubt that we will have about as good crops on the average as usual.

The motion for the adoption of the Report was then put and carried.

On motion of the Vice-President, seconded by Mr. Leggat, the By-law respecting the Directors was amended making the number of the same seven, instead of eight as formerly.

The usual votes of thanks to the President, Vice-President and Directors and also to the General Manager, Assistant General Manager and other members of the staff, were carried unanimously.

In response to the latter Mr. Walker spoke as follows:—

I thank you very much for the resolution. It is one which we hear every year, and perhaps as far as the officers high up in the service are concerned, *it might not be necessary*, but as regards the general staff, who have to wait a long time for very well deserved promotion, this resolution is a matter of greater importance than it may seem. We have a very large and a very loyal staff, and it is well they should have some evidence that their zeal and loyalty are appreciated. We endeavour to do what we can for our men, to make them feel a pride in the institution with which they are connected ; we recognize that their enthusiasm and pride in this respect

is a matter of vital importance in carrying on the affairs of the Bank successfully. We have done something for our staff in the way of athletics, because we believe that in looking after them physically we do much for them mentally.

In this connection I might mention a very gratifying circumstance which has taken place this year. There is an Association of Bankers in the Dominion in which each year prizes are offered for essays on senior and junior subjects. This year, out of thirty-five essays sent in, twelve were written by officers of this Bank, and out of the four prizes, the two firsts and the second in the senior competition were won by officers of this Bank. This may not seem a subject of very much importance to the Shareholders, but it is a matter of great gratification to the Executive to see how high a view of their calling is taken by the officers of this Bank.

After the meeting had adjourned the scrutineers reported the following gentlemen to be elected Directors for the ensuing year :—Messrs. Geo. A. Cox, James Crathern, John I. Davidson, William B. Hamilton, John Hoskin, Q.C., LL.D., Robert Kilgour and Matthew Leggat.

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

