

# THE CANADIAN BANK OF COMMERCE

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HEAD OFFICE - TORONTO, ONTARIO

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

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*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.				

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**B. E. WALKER**, General Manager.  
J. H. PLUMMER, Asst. General Manager.  
A. H. IRELAND, Inspector.



## BRANCHES AND AGENCIES.

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### 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 .....	D. H. CHARLES.....	"
GODERICH .....	R. S. WILLIAMS.....	"
GUELPH.....	J. M. DUFF .....	"
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 .....	A. D. MCLEAN.....	"
SAULT STE. MARIE .....	D. MCGREGOR .....	"
SEAFORTH.....	M. MORRIS.....	"
SIMCOE .....	E. COWDRY .....	"
STRATFORD .....	W. MAYNARD, JR.....	"
STRATHROY .....	L. H. DAMPIER.....	"
THOROLD.....	F. O. CROSS .....	"
TORONTO.....	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 .....	"
544 QUEEN ST. WEST .....	H. C. SECORD.....	"
450 YONGE, COR. COLLEGE	T. S. HARRISON .....	"
791 YONGE ST.....	R. I. MONTGOMERY.....	"



## BANKERS AND CORRESPONDENTS.

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### GREAT BRITAIN—

The Bank of Scotland.

### INDIA, CHINA AND JAPAN—

Chartered Bank of India, Australia and China.

### AUSTRALIA AND NEW ZEALAND—

Union Bank of Australia, Limited.

### SOUTH AMERICA—

British Bank of South America, Limited.

London and Brazilian Bank, Limited.

### MEXICO—

Banco de Londres y Mexico.

### WEST INDIES—

Bank of Nova Scotia, Kingston, Jamaica.

Colonial Bank and Branches.

### BERMUDA—

Bank of Bermuda, Limited, Hamilton.

### SOUTH AFRICA—

Standard Bank of South Africa, Limited.

Bank of Africa, Limited.

### FRANCE—

Crédit Lyonnais, Paris.

Messrs. Lazard Frères & Cie, Paris.

### GERMANY—

Deutsche Bank.

### BELGIUM—

Messrs. J. Matthieu & Fils, Brussels.

### NEW YORK—

The American Exchange National Bank of New York.

### CHICAGO—

The American Exchange National Bank of Chicago.

### SAN FRANCISCO—

The Bank of British Columbia.

### BRITISH COLUMBIA—

The Bank of British Columbia.

### MARITIME PROVINCES—

The Bank of Nova Scotia.

# GENERAL STATEMENT

31ST MAY, 1895.

## LIABILITIES

Notes of the Bank in circulation.....	\$	2,280,880 00
Deposits not bearing interest.....	\$	2,869,280 02
Deposits bearing interest, including interest accrued to date.....		14,767,209 08
		17,636,489 10
Balances due to other Banks in Canada.....		2,119 20
Balances due to Agents in Great Britain.....		1,054,729 41
Dividends unpaid.....		1,371 32
Dividend No. 56, 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.....		22,685 52
		7,222,685 52
		\$28,408,274 55

## ASSETS

Specie.....	\$	550,367 67
Dominion Notes.....		894,737 80
		\$ 1,445,105 47
Deposit with Dominion Government for security of Note circulation.....		151,000 00
Notes of and Cheques on other Banks.....		829,260 10
Balances due by other Banks in Canada.....		81,739 36
Balances due by Agents of the Bank in the United States..		2,590,927 02
Balances due by Foreign Correspondents.....		30,576 54
Canadian Government Securities, Municipal and other Bonds		2,643,193 45
Call Loans on Stocks and Bonds.....		2,088,496 44
		\$ 9,860,298 38
Time Loans on Stocks and Bonds.....		980,617 92
Other Current Loans and Discounts.....		16,317,833 33
Overdue Debts (loss fully provided for).....		249,041 23
Real Estate (other than Bank Premises).....		38,647 72
Mortgages.....		132,074 65
Bank Premises and Furniture.....		738,057 01
Other Assets.....		91,704 31
		\$28,408,274 55

# THE CANADIAN BANK OF COMMERCE

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## REPORT OF THE PROCEEDINGS

OF

## THE ANNUAL MEETING OF SHAREHOLDERS

TUESDAY, 18TH JUNE, 1895.

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The twenty-eighth Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking-house on Tuesday, 18th June, 1895, at 12 o'clock. Among those present were:—Messrs. Geo. A. Cox, John I. Davidson, W. B. Hamilton, John Hoskin, Q.C., LL.D., Matthew Leggat, Hamilton; Robert Kilgour, James Crathern, Montreal; W. R. Macdonald, Hamilton; R. Wilson Smith, Montreal; H. A. Massey, Frederick Wyld, Henry Beatty, J. K. Osborne, Rev. E. B. Lawler, Hugh Ryan, John Scott, A. V. Delaporte, James Neilson, George Robinson, Philip Browne, N. B. Gash, Æmilius Jarvis, R. H. Temple, Samuel D. Mills, Robert Somerville, Alexander McGee, 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, Æmilius Jarvis and R. H. Temple 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-eighth Annual Report, covering the year ending 31st May, 1895, together with the usual Statement of Assets and Liabilities :—

The balance at credit of Profit and Loss Account, brought forward from last year is.....	\$ 19,157 02
The net profits for the year ending 31st May, after providing for all bad and doubtful debts, amounted to.....	441,028 50
	<u>\$460,185 52</u>

Which has been appropriated as follows :—

Dividends Nos. 55 and 56, at seven per cent. per annum.....	\$420,000 00
Transferred to Pension Fund.....	10,000 00
Written off Bank Premises and Furniture .....	7,500 00
Balance carried forward.....	22,685 52
	<u>\$460,185 52</u>

Your Directors regret that the results here shown are less favourable than those of recent years, but this is mainly due to the very great decline in the profits of banking which has been universal during the past year. There is now a reasonable prospect of a return to normal earnings, but it is only during the last month that this improvement has been perceptible.

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.



Two years ago the Shareholders authorized the creation of a Pension Fund and the payment by the Bank annually of \$10,000 as its share towards the Fund. Last year the Directors reported that the labour incident to establishing the Fund had been concluded, but not in time to actually open the account before the closing of the books. The Directors have now to report that the Fund is in operation, and the first payment by the Bank appears in the accounts of this year. The Fund assumes all pensions previously granted by the Bank.

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.

As the Report, the adoption of which I am about to move, is of a less favourable character than those of recent years, a few explanatory words in addition to the Report itself may be expected, although the brief statements therein made clearly cover the situation.

At the beginning of the year the rates paid for deposits were much too high, and the difficulty in changing the rate in Canada is so great that the year was more than half spent before we succeeded in getting our interest-bearing deposits down to a basis of three per cent. While this rate was justified by the rates obtainable for mercantile loans, the rates for money loaned on stocks, bonds, and such securities did not justify the payment of any interest whatever on deposits. We did not feel, however, that it was in the ultimate interest of the Bank to risk the loss, by a further reduction of the rate, of any portion of that volume of steady deposits on which the business of the Bank is so largely based, but this policy entailed very large loss for the moment,

because while the tendency of deposits was to steadily increase, the volume of mercantile loans diminished, in consequence of the condition of business, with extraordinary rapidity, quite in excess of any former experience.

Ordinarily we look to the United States for the employment of that portion of our loanable capital which we feel should not be lent in Canada, indeed should be regarded as a reserve to protect our mercantile interests in Canada, and for any further capital we are unable at the moment to loan here, either to mercantile customers or on stocks and other collaterals. During 1893, in order to take care of our customers in Canada, a large part of our funds then invested at high rates in United States was withdrawn and lent out here. During 1894 the liquidation in Canada in consequence of the general contraction in business, to which I have already referred, caused not only the excessive advances of 1893 to be repaid, but an exceptionally large reduction of all mercantile advances from the normal volume, and when we sought to lend this surplus in the United States we were met with two difficulties. First, rates for even time money were unprecedentedly low, and second, the usual contract given by borrowers in the United States to a foreign bank to repay in gold was unobtainable because there were plenty of banks there ready to lend all the money required without such a contract. There have been times when we would have lent our money without insisting on this feature, but it seemed unwise to do so when Congress was actually discussing what should be done, and showing so little disposition to do anything effective, and when rates obtainable for time money were so low. It would have been taking the risk at the most critical moment, and for a very small return in interest. In consequence we had at times several millions of money absolutely idle, and while in richer countries this is not such an uncommon thing, in this country it was in our particular experience unprecedented, and completely upset all ordinary calculations as to profits.

In looking over the balance sheet you will notice no striking changes in the liability side, but the changes on the asset side indicate the difficulties of the past year, although during the past month or two great improvement has been effected. The changes may be summed up in a few words. The cash assets and those immediately convertible into cash amount to 48 per cent. of our liabilities to the public, and are two million dollars larger than last year, while our mercantile loans are two millions less; this exhibits a very strong position for our depositors, but is not so profitable for the Shareholders as we could wish, and we must hope that the returning activity in general business will enable us to improve the earning power of our investments. We have, I think, good reason to expect that result. There are certainly indications of improved confidence and returning prosperity, but I shall not anticipate what the General Manager may have to say upon that subject by any further reference to it.

The business of the year has required more than ordinary watchfulness and care upon the part of the executive officers and the entire staff, and it affords me pleasure to say that it has had their unceasing attention. Looking to the unfavourable circumstances to which I have alluded, the diminished profits of the past year are regarded by the Directors, and will be, I am sure, by the Shareholders, as even more satisfactory than the larger profits of more prosperous years.

I now beg to move the adoption of the Report, to be seconded by the Vice-President, and the General Manager will then address you.

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

#### GENERAL MANAGER'S ADDRESS.

In addressing the Shareholders last year we had, as you will remember, little to say which indicated the hope that we could look forward to a satisfactory year of business. We were able to take comfort in the fact that in Canada the contraction of business was not relatively so severe as in the

United States, and the idle establishments and men out of employment not so many proportionately; but the enormous fall in the prices of almost all commodities had to be borne here as elsewhere. If credit is not only restricted by the wholesale seller through caution, but by the retail buyer because of falling prices and small sales, and the public is submitting to rigid economy either of necessity or of choice, we have that kind of hand-to-mouth trade which renders profit impossible, and contracts the volume of all transactions, legitimate or speculative, to narrow limits.

#### STATE OF TRADE.

We had such a year all over North America, but to an extent we quite failed to foresee, and looking back it seems scarcely less a subject for wonder than congratulation that the business community, including the banks, has been able to maintain its position successfully and without any serious proportion of failures.

If the improvement which has taken place during the past six weeks or so is permanent, we have passed through the period of depression sooner than we expected, but it is almost certain that the margin of profit which had almost disappeared in so many lines of business, and the volume which had shrunk so seriously, will only be restored very gradually, and while we may congratulate ourselves on a much improved outlook, we had better be prepared for moderate results for some time to come. As far as our own business of banking is concerned, the President has indicated some of our difficulties. In addition to the heavy loss in interest to which he referred, we suffered proportionately even more from the loss of profits from foreign and inland exchange operations, due wholly to the contracted volume of business and the excessive competition for what business there was. When the price of a manufactured article falls it does not always follow that the percentage of profit to the manufacturer falls proportionately. When the price of a raw product falls the railroad freight does not always fall proportionately, but in

banking the principle works with painful certainty, as we are dealing with the money which represents the cost and not with the article itself. If a bushel of wheat is worth fifty cents, the interest, inland exchange and foreign exchange earned by the Bank during the transit of the wheat from the farmer's hands to the point of consumption in Europe, is just one-half of what it would be if the wheat was worth a dollar a bushel. This is a matter of little moment if there are commodities enough being manufactured or moved to employ our money, but if a tremendous fall in prices comes in one year the quantity of all commodities to be dealt in for that season is already fixed, or nearly so, the money represented by the fall in prices of all commodities is suddenly not required, and the result in bank profits must be felt at once. It is not strange, therefore, that in a year when wheat, cotton, and other great staples touched the lowest recorded prices, the rate of interest also made its lowest record.

In bearing, as we have been obliged to in America, our share of the burden arising from that series of financial events beginning with the Baring panic in 1890, and culminating, let us hope, with the low prices just referred to, our load has not been made lighter by the tariff changes in the United States and Canada, because whether the changes be good or not in their ultimate result, the immediate effect was to add still further to the losses already arising out of the general fall in prices, at least as far as holders of some classes of imported goods were concerned.

In Canada we are fortunately out of the mad current of discussion about silver, but the Canadian banker who deals as we do largely in the United States, has not only been since 1878 an anxious observer of the great questions of bi-metallism and free coinage, but he has been peculiarly perplexed during the past year as to the problem of keeping the funds of his institution invested in that country on a gold basis. If, during the panic of 1893, we treasured one hope of good to come out of that great time of trouble, it was that

the folly of the free coinage of silver in the United States was forever ended ; but we counted altogether too readily on the good sense of the people in those sections of the United States where unsound views have been held. Unfortunately increased difficulties in trade between Europe and the East, arising from the closing of the Indian mint, the general depression, and the great industrial growth in the East, have brought up for discussion again the subject of international bi-metallism. Perhaps, however, even this excuse was not needed to stay the hand of Congress from doing anything to promote banking reform, and remedy the chaotic condition of currency in the United States, and to remove the constant menace to trade and the national credit involved in the weakness of the treasury. In any event Congress did nothing, and having done nothing, a pamphlet or two, devoid of serious argument, but cleverly adapted to the ignorance of those who would probably read them, fanned as it were in an instant the flame of free coinage into as great a heat as ever. Perhaps all this is only a species of national education, and it is pleasant to see that business men and bankers are organizing with a determination to remove this national disgrace, and thus enable the United States to take the full advantage of the rising tide of prosperity in trade. It is strange that with the fact before them of Chili returning to a gold basis after struggling with a depreciated currency for seventeen years (just about the length of time of suspension of gold payments in the United States) public men can be found in the west and south willing to see their nation fall to the financial level of Asia.

The activity of the last month or two would seem to indicate that the tide of trade is already rising, but we want many evidences, still lacking, before we are quite convinced of this. One of the most hopeful and significant of the changes between April and June is in the employment of labour. We learn from Bradstreet's that in the United States 227 establishments, closed during the depression, opened up

for work, that 53,400 wage-earners obtained work who were before idle, and that the wages of 178,000 employees were advanced. During this period about 36,000 employees joined various strikes, and of these about 25,000 demanded higher wages, but on the whole there has not been serious trouble from that source. The next most significant change has been the improvement in both gross and net railroad earnings. This has already been experienced to a satisfactory degree, but if the tide has really turned a much greater increase will develop during the ensuing year. Excessive competition by railroads may be a very good thing for trade, but the other result in the shape of inadequate earnings is ruinous to the financial credit of all North America, and indirectly does far more harm than the benefit by competition to trade. There is some ground for hope that the era of free railroad building in the United States, that is, building under a general railroad act and without reference to public requirements, may be gradually checked. An act passed in 1892 in New York State, intended to prevent the paralleling of lines or the building of railroads in localities where they are not required in the public interest, has been in one case actually put into force.

Of less importance, because a less reliable index of the growth of actual trade in commodities, is the increase in clearing-house exchanges. The activity of the last month or two is, of course, largely speculative, and speculative transactions where no commodities change hands often swell the clearings, so that real movements in commodities cannot be traced accurately. But bearing this in mind the improvement in the United States for the month of May, amounting to nearly 27 per cent. of an increase over the same month in 1894, the figures being only seven per cent. less than in 1893, is very gratifying. The increase for the same month in the five Canadian cities possessing clearing houses amounts to a little over ten per cent., a very satisfactory showing, as the percentage of loss from the high figures of 1893 was much less than in the United States.

When we turn to the prominent staples we cannot but be much encouraged. Wheat, which within a year touched the lowest recorded price in 250 years, is again comforting the farmer with the old charm of a dollar a bushel, an advance almost unprecedented for rapidity. Doubtless the pace has been too rapid, but there seems little reason to doubt that the new crop will be marketed at remunerative prices. Iron of all kinds had fallen a few months ago to an average of 54 per cent. of the prices of October, 1890, and had risen at the close of May to 59 per cent. It is still, however, so low, and the power of production so great, that the profit to the miners and iron manufacturers of the United States must be trifling in relation to the enormous investment of capital. Petroleum has settled back somewhat after its great advance, but the present price is stimulating production all over the world. Hides, leather, boots and shoes, and beef have all gone up together, and doubtless to some extent from the same cause. While the leather industries of all kinds sadly needed the aid of better prices, perhaps no advance is of so much importance to our own province as that in the price of cattle. The past few years, what with British restrictions and low prices, have been hard on the Canadian grazier, and now that there has been a substantial recovery it is to be hoped that for the future we will have steadier and more adequate results. At the moment, however, prices have again receded somewhat. Still it is fair to presume that as horses have also lately shown a decided change for the better, and attempts are being made at raising better animals, we can count on profitable returns from cattle, pigs, sheep and horses, which means a great deal for Ontario.

While the advance has not been universal, many other leading staples such as cotton, wool, etc., have participated in the change, and there can be little doubt, even if present values are not quite maintained, that the turn has come.

#### LUMBER.

Turning to industries in which we are more largely concerned, we have little to report of interest in connection with





PARIS, ONT.



lumber. Those who understand the business thoroughly and have sufficient capital are thriving about as usual. In the Ottawa and other eastern districts large sales of deals have been made at good prices, and the trade in thin lumber for the same markets continues to grow rapidly. At the moment the market in England is not very satisfactory to the middlemen, but on the whole that branch of our lumber trade is fairly prosperous. The trade with the United States is not so satisfactory, for while many dealers have made large sales at average prices, there is undoubtedly some holding back by buyers until prosperity is more generally assured. Meantime our manufacturers are unwilling to make concessions in price, and stocks will doubtless move off a little slowly. Lumber in these districts has been produced at about the same cost as in recent years. There has been trouble again with low water, and estimates as high as 15 per cent. of the whole output have been made of the logs which will not come down this season. The quantity required for sawing will be readily supplied, however. It is thought that the Ottawa and Nipissing cut will be about 660 million feet board measure.

#### AGRICULTURAL INTERESTS.

I am sorry that for the first time we cannot speak with positive encouragement of the dairy interests of Canada. We have had rapid growth in volume and satisfactory prices for cheese for many years, but it looks as if we are to have something in the nature of a check. Owing to the severe drought of last summer the shipments, which for the first half were much larger than for the former year, fell off in the last half so that we only scored a total of 147,039,000 lbs. against 146,595,000 lbs., with a value of \$14,683,000 against \$14,647,000, a very trifling increase. In the United States, a slight increase, the first in some years, is shown, but they evidently still eat nearly all the cheese they make, as the total value of their export was only \$6,609,000. Our success has caused the building of many new cheese factories during the past year, and in several districts where cheese was not made

heretofore. This will ensure a large product, but it will be very disappointing if in these new districts lower prices should bring about discouragement. The farmer did well enough last year as to price, but the English buyers lost heavily, and still have large stocks of old cheese on hand. We are also destined to meet serious competition from New Zealand. At the moment quotations have recovered somewhat, and the dry weather in England and here may improve the price at the cost of the quantity manufactured. In cheese and pork the farmers must have prospered last year. In almost all other products the experience was very disappointing, but the changes of the last month or two have caused a feeling of great cheerfulness throughout our farming community, notwithstanding the damages by frost and dry weather. In the fruit districts the frost has certainly done very serious damage, but as far as we can learn there is likely to be no such general failure in yield as was at one time feared. Our people, however, are apt to overlook the great money value of the fruit crops in this province as a whole, and the extent to which it exceeds all other agricultural interests in the district specially adapted to fruit-growing. The outlook in this province is not uniformly good, even apart from fruit, frost having done damage to fall wheat and some other crops, but it is too early to form a definite opinion as to the general results of farming in Ontario. At the moment the prospect for hay is not good in many parts, and hay and grass are perhaps our most valuable crops. In Quebec and in the parts of our province which were not advanced too much by the early warm weather, the whole outlook is excellent.

In Manitoba and the North-West we are experiencing one of those rapid, favourable changes which should make us less ready to grow despondent about that great country, when the changes happen to be of an unfavourable character. It is unfortunate that our feelings about this part of Canada are apt to be either unduly elated or unduly depressed. It may take more than one good crop to make the farmers easy as to

debt, but one can hardly resist the conviction that their prospects were never better than at the moment. The enforced economy of the last few years has, of course, had a most damaging effect on trade for the time being, the sales by Winnipeg jobbers being twenty-five per cent. less than for the previous year. No money was made, and many lost money, as a natural result, but the benefits arising from the drastic policy which has been applied are that credits have been very much shortened as to time, and restricted as to amount, that weak traders have been diligently weeded out, and stocks of goods, in both first and second hands, are very light. All this has been accomplished without serious failures, the total liabilities of insolvents between Port Arthur and the Rocky Mountains being \$604,984, less by \$155,668 than in 1893.

During the discussions of the proposed Insolvency Bill the merchants of Ontario and Quebec sought to introduce a section in order to prevent the sale of the stock of a failed retail shopkeeper *en bloc*, but such things cannot easily be accomplished by legislation. It is cheerful to notice that the Winnipeg merchants have dealt with the matter in a practical manner by refusing to compromise and by reshipping such stocks to Winnipeg, where they are resold in a warehouse established for the purpose. The honest trader cannot therefore complain of his next door neighbour being his competitor on the unfair basis of one paying 100 cents in the dollar, and the other, perhaps, only 50 cents.

While the merchants of Manitoba are learning how to manage the problem before them, it is not to be supposed that the farmers fail to do likewise. They harvested altogether about thirty-two million bushels of wheat, oats and barley, and for about 22,000 farmers this evidences enough on the score of energy. But the prices were so low that but for their exercise of economy they would be little better off than a year ago. The manner in which they are doing their share in managing the problems before them is in diversifying farm-

ing as rapidly as possible. We had occasion last year to notice the first large shipments of cattle and the feature this was sure to make in the future. In 1894, in addition to about fifteen million bushels of wheat, about four million bushels of which took the form of flour, there were shipped east 26,826 cattle, 9,739 hogs and 3,286 sheep. Thus far 1895 largely exceeds 1894, and the trade is already become so important that efforts are being made to establish a cattle market in Winnipeg where animals can be properly graded and fair prices and ready sale assured. Four years ago Manitoba imported pork largely. Now cattle, sheep and hogs are increasing very rapidly, and as they have had a favourable winter, we need no longer think of that part of Canada as merely a wheat country. The area of flax has trebled this year, and with the help of the unusually early spring the acreage of nearly all grain has been largely increased. In Manitoba the added acres in wheat amount to 295,380, making a total in wheat of 1,140,276 acres. Butter and cheese factories are growing in number and the check in the price of dairy products is the only unhappy feature in the situation this season. The great milling companies are increasing the number of their country elevators, while a large elevator is being erected at Winnipeg. What with one of the most favourable seasons, thus far, on record, larger acreage, great increase in cattle, and better prices, Manitoba is likely to prosper again, and wants population more than anything else.

Last year we took occasion to refer to the question of canals and cheaper transportation from the North-West to the seaboard. We are sorry to learn that by far the largest proportion of the wheat shipped from Manitoba went abroad by way of Buffalo during 1894. We have finished at great expense our canal at Sault Ste Marie, and, according to a recent article in an American newspaper, while we have 2,384 miles of continuous waterway from the head of Lake Superior to the ocean, less than  $3\frac{1}{2}$  per cent. of the freight which, in 1894, passed the Sault was carried by Canadian vessels.

The extent to which this statement may be exact is not so important as the fact that we are doing nothing to retain the carriage control of our own North-West products.

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

Moved by Mr. H. A. Massey, 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.

In moving the adoption of this resolution, Mr. Massey said that he did so with more than usual pleasure. Considering the conditions under which the Board has had to act during the past year, the satisfactory Report they were able to present showed that they had given the conduct of the Bank's affairs more than ordinary care and attention, and he was sure the Shareholders appreciated their services. He had listened with much pleasure to the address of the General Manager, which set forth the condition of the business of the country with great clearness.

Mr. Frederick Wyld seconded the resolution. He was glad that Mr. Massey had urged that it should not be regarded as a stereotyped vote of thanks, or as an empty act of courtesy merely, but as a vote which the Shareholders felt they truly owed to the Board of Management. The position of a Director in a bank of this magnitude is not a bed of roses, and had the Board not dealt with the affairs of the Bank courageously, and at the same time cautiously, the Shareholders would not have been presented with so satisfactory a Report.

Mr. Cox thanked the meeting for the resolution, and expressed his obligations for the kind and cordial manner in which it had been moved and seconded. The Directors, he was sure, appreciated it, but he thought many of the remarks made by the mover and seconder were due to the general management and the staff rather than to the Board.

Moved by Mr. R. Wilson Smith, 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.

In moving the resolution, Mr. Smith said that as in the case of the preceding resolution, this vote of thanks should not be regarded as a matter of form. The past year had been a time of great depression, and was a severe test of the skill with which the affairs of the Bank were managed, concerning which there could be only one opinion. He regretted the keen competition which now prevailed in banking, and which had kept the rate of interest on deposits at a higher point than it should have been. In the matter of the fidelity of bank employees, he drew a contrast with the United States, where every day witnessed defalcations of bank officials, while in Canada it was an almost unheard of thing. He thought we had reason to be proud of our record in this respect.

Mr. Hugh Ryan, in seconding the resolution, remarked that among the many things of which Toronto has to be proud were the men at the head of its banks.

Mr. Walker acknowledged the resolution. He thought that the remarks of the President, repeated year after year, regarding the share of the general management in the conduct of the Bank, were altogether too flattering, since without the counsel, assistance and encouragement of the Board it went without saying that no such results could be produced. There were difficulties enough to employ the minds and energies of all the members of the Board, as well as of the chief executive officers. In a year like the past the staff had to work harder than ever, with less pecuniary reward than usual, and with less prospect of advancement. He had pleasure in reporting, as he hoped he always would be able to report, that there was among the members of the staff a most satisfactory spirit, as well as a high regard for the Bank, and a high ideal of the business of banking. Referring to a remark made concerning the fidelity of bank men, he thought the Shareholders would



be interested in certain facts respecting the Bank's Guarantee Fund, which has been in operation for some seventeen years. It was based upon a payment of one-half of the customary charge made by guarantee companies, and that for only five years instead of indefinitely, and yet the Fund had grown to an extent which permitted of \$100,000 being taken from it a year ago for the establishment of the Pension Fund of the Bank.

Moved by Dr. Hoskin, seconded by Mr. James Crathern, and carried, that the meeting do now proceed to elect Directors for the coming year, and that for this purpose the ballot-box be 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.

The meeting then adjourned.

The scrutineers subsequently reported the following gentlemen to be elected Directors for the ensuing year:— Messrs. George 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.

