

# THE CANADIAN BANK OF COMMERCE

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HEAD OFFICE - TORONTO, ONTARIO

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

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*DIRECTORS:*

HON. GEORGE A. COX, - - - PRESIDENT.  
ROBERT KILGOUR, ESQ. - - - VICE-PRESIDENT.  
JAMES CRATHERN, ESQ. MATTHEW LEGGAT, ESQ.  
WM. B. HAMILTON, ESQ. JOHN HOSKIN, ESQ., Q.C., LL.D.  
JOSEPH W. FLAVELLE, ESQ.

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



## BRANCHES AND AGENCIES.

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### ONTARIO—

AYR .....	JOHN WYLLIE.....	Agent.
BARRIE .....	H. J. GRASSET.....	Manager.
BELLEVILLE.....	C. M. STORK.....	"
BERLIN .....	W. C. J. KING.....	"
BLENHEIM.....	G. A. HOLLAND.....	"
BRANTFORD.....	JEFFERY HALE.....	"
CAYUGA.....	W. C. T. MORSON.....	"
CHATHAM.....	J. E. THOMAS.....	"
COLLINGWOOD.....	JAS. BRYDON.....	"
DRESDEN.....	R. T. MUSSEN.....	"
DUNDAS.....	F. W. HOLMESTED.....	"
DUNNVILLE.....	R. G. W. CONOLLY.....	"
GALT.....	D. H. CHARLES.....	"
GODERICH.....	R. S. WILLIAMS.....	"
GUELPH.....	J. M. DUFF.....	"
HAMILTON.....	WM. ROBERTS.....	"
LONDON.....	D. B. DEWAR.....	"
ORANGEVILLE.....	F. Y. CHECKLEY.....	"
OTTAWA.....	ROBERT GILL.....	"
PARIS.....	R. C. MACPHERSON.....	"
PARKHILL.....	G. M. WEDD.....	"
PETERBORO.....	R. C. MCHARRIE.....	"
PORT PERRY.....	G. M. GIBBS.....	"
ST. CATHARINES.....	F. O. CROSS.....	"
SARNIA.....	A. D. MCLEAN.....	"
SAULT STE. MARIE.....	D. MCGREGOR.....	"
SEAFORTH.....	F. C. G. MINTY.....	"
SIMCOE.....	E. COWDRY.....	"
STRATFORD.....	W. MAYNARD, JR.....	"
STRATHROY.....	L. H. DAMPIER.....	"
TORONTO (Chief Office)..	{ JOHN C. KEMP.....	"
	{ JOHN AIRD.....	Asst. Mgr.
268 COLLEGE, COR. SPADINA	W. MANSON.....	Manager.
163 KING ST. EAST.....	H. W. FITON.....	"
399 PARLIAMENT ST.....	V. E. HART.....	"
712 QUEEN ST. EAST.....	J. G. BOYCE.....	"
544 QUEEN ST. WEST.....	E. M. PLAYTER.....	"
450 YONGE, COR. COLLEGE	T. S. HARRISON.....	"
791 YONGE ST.....	R. J. MONTGOMERY.....	"

BRANCHES AND AGENCIES—Continued.

TORONTO JUNCTION .....R. C. JENNINGS.....Manager.  
 WALKERTON .....G. W. MCKEE..... “  
 WALKERVILLE.....J. L. HARCOURT ..... “  
 WATERLOO.....A. W. ROBARTS..... “  
 WINDSOR .....J. L. HARCOURT ..... “  
 WOODSTOCK .....G. de C. O'GRADY ..... “

QUEBEC—

MONTREAL ..... { A. M. CROMBIE .....Manager.  
 A. KAINS .....Asst. Mgr.

MANITOBA—

WINNIPEG.....F. H. MATHEWSON....Manager.

BRITISH COLUMBIA—

ATLIN.....T. R. BILLET.....Manager.  
 CRANBROOK.....J. W. H. SMYTHE..... “  
 FERNIE .....JOHN KAY ..... “  
 GREENWOOD.....D. A. CAMERON..... “  
 VANCOUVER.....H. H. MORRIS..... “

YUKON DISTRICT—

DAWSON..... { H. T. WILLS.....Manager.  
 T. MCMULLEN.....Asst. Mgr.

UNITED STATES—

NEW YORK..... { ALEX. LAIRD ..... } Agents.  
 WM. GRAY..... }  
 NEW ORLEANS.....J. H. FULTON.....Agent.  
 SKAGWAY, ALASKA .....A. SCOTT ..... “

## 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.

### HOLLAND—

Disconto Maatschappij, Rotterdam.

### BELGIUM—

Messrs. J. Matthieu & Fils, Brussels.

### NEW YORK—

The American Exchange National Bank of New York.

### CHICAGO—

North-Western National Bank.

### SAN FRANCISCO—

The Bank of British Columbia.

### MARITIME PROVINCES—

The Bank of Nova Scotia.

# GENERAL STATEMENT

31ST MAY, 1899.

## LIABILITIES

Notes of the Bank in circulation .....	\$ 3,368,420 00
Deposits not bearing interest.....	\$ 5,091,916 69
Deposits bearing interest, including interest accrued to date .....	22,634,446 70
	27,726,363 39
Balances due to other Banks in Canada .....	35,972 30
Balances due to Agents in Great Britain .....	1,285,162 77
Dividends unpaid .....	1,129 17
Dividend No. 64, payable 1st June.....	210,000 00
Capital paid-up.....	\$6,000,000 00
Rest .....	1,000,000 00
Balance of Profit and Loss Account carried forward.....	55,738 53
	7,055,738 53
	\$39,682,786 16

## ASSETS

Specie.....	\$ 445,344 62
Dominion Notes.....	1,088,821 00
	\$ 1,534,165 62
Deposit with Dominion Government for security of Note circulation.....	169,951 82
Notes of and Cheques on other Banks.....	1,296,747 57
Balances due by other Banks in Canada .....	142,484 86
Balances due by Agents of the Bank in the United States..	3,384,861 52
Government Bonds, Municipal and other Securities .....	6,598,690 83
Call Loans on Stocks and Bonds.....	3,489,248 01
	\$16,616,150 23
Time Loans on Stocks and Bonds.....	1,224,909 02
Other Current Loans and Discounts.....	20,173,151 93
Overdue Debts (loss fully provided for) .....	138,224 34
Real Estate (other than Bank Premises).....	104,381 31
Mortgages.....	101,524 51
Bank Premises.....	797,705 15
Gold Bullion in transit .....	385,824 33
Other Assets .....	140,915 34
	\$39,682,786 16
	\$39,682,786 16

# THE CANADIAN BANK OF COMMERCE

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## REPORT OF THE PROCEEDINGS

OF

## THE ANNUAL MEETING OF SHAREHOLDERS

TUESDAY, 20TH JUNE, 1899.

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The thirty-second Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking-house on Tuesday, 20th June, 1899, at 12 o'clock. There were present:—Hon. George A. Cox, Messrs. C. D. Massey, James Crathern, J. W. Langmuir, A. G. Ramsay, Robert Kilgour, J. W. Flavelle, Wm. McCabe, J. L. Blaikie, W. B. Hamilton, Edward Martin, Q.C., Matthew Leggat, John Hoskin, Q.C., LL.D., William Ross, Thomas Gilmour, William Hendrie, R. C. Carlyle, Robert Swan, Walter S. Lee, William Spry, Thos. E. Fraser, John Nicol, Philip Browne, Henry Beatty, W. H. Dunsford, David Smith, A. V. Delaporte, J. Clarke Brown, A. M. Crombie, O. F. Rice, J. Lorne Campbell, J. C. Kemp, Robert Thompson, Melfort Boulton, Rev. E. B. Lawler, W. J. Gage, F. J. D. Smith, Robert Somerville, A. E. Webb, Z. A. Lash, Q.C., John Aird, R. Wickens, William Cook, Dr. Dewart, Thomas Sanderson and others.

On motion, the President, Hon. Geo. A. Cox, was requested to take the chair, and Mr. A. H. Ireland, the Inspector, was appointed to act as Secretary.

It was moved by Mr. Leggat, seconded by Mr. Kilgour, that Messrs. Philip Browne, J. Lorne Campbell and Melfort Boulton 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 thirty-second Annual Report, covering the year ending 31st May, 1899, together with the usual Statement of Assets and Liabilities :—

The balance at credit of Profit and Loss Account, brought forward from last year, was . . . . .	\$ 42,935 57
The net profits of the year ending 31st May, after providing for all bad and doubtful debts, amounted to . . . . .	542,802 96
	<u>\$585,738 53</u>

Which has been appropriated as follows :—

Dividends Nos. 63 and 64, at seven per cent. per annum . . . . .	\$420,000 00
Transferred to Pension Fund . . . . .	10,000 00
Written off Bank Premises . . . . .	100,000 00
Balance carried forward . . . . .	55,738 53
	<u>\$585,738 53</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.

It will be seen that the Bank has shared very satisfactorily during the past year in the improvement in business which has been so marked throughout North America. The profits would have permitted a substantial addition to the Reserve Fund, but in view of the large expenditures made during the year in the purchase of properties at Winnipeg, Vancouver, Toronto and elsewhere, on some of which buildings are being erected, the Directors decided to apply \$100,000 out of the year's profits in reduction of the Bank Premises Account.



The rapid expansion of business has caused banks generally to receive an unusual number of requests to open branches in various parts of Canada. We have had our share in this movement, but have felt obliged to refuse the majority of such applications. In accordance, however, with the policy inaugurated last year of establishing ourselves in the great mining districts of Western Canada, we have opened the following branches in British Columbia :—Vancouver ; Fernie, in the Crow's Nest Pass ; Cranbrook, in the East Kootenay district ; Greenwood, in the Boundary Creek country ; and Atlin, in the Northern gold fields. We have also opened an agency at Skagway, Alaska. In Ontario, we have opened a branch at Port Perry.

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

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

GEO. A. COX,

President.

Toronto, June 7th, 1899.

In moving the adoption of the Report the President said :—

PRESIDENT'S ADDRESS.

In inviting you to compare the Statement of the Bank now before you with that of last year, my task is a pleasant one, as we have to take note of a growth in the figures on both sides of the account, which should tend to increase the prosperity of the Bank. Last year I called your attention to an increase in our deposits for the year then closed of about four millions of dollars, accompanied by the regret, however, that we had been forced to invest nearly all of this sum in bonds, owing to the lack of demand for money by our ordinary borrowers. This year we have to report a further increase in deposits of about four and a half million dollars, but accompanied by an increase in our ordinary loans of about five

million dollars. Last year I stated that there was no special feature in the Bank's affairs accounting for this large increase in deposits, and this year I can but repeat the statement. Taking the latest available Government statement and that for the same date two years ago as my sources of information, I find that in 1897 of the entire deposits held by the banks of Canada we held 9.07 per cent., while in 1899 we hold 10.46 per cent. I also find that the growth in deposits for this period of two years by the banks as a whole is 27.85 per cent., while the growth in the case of this Bank is 47.62 per cent.

During the year we have opened seven new offices of the Bank. It is many years since we have increased the number of our establishments so rapidly in so short a time, and while doing so we have also to admit that in Ontario we have declined to open in places occupied later by other banks, although sometimes territory hitherto served by branches already established by us has been cut into and competition thereby increased. We have opened only one branch in Ontario, that at Port Perry, and it is in a district in which this Bank has not hitherto been represented. Our expansion has been almost entirely in the far West. We have opened at Vancouver, rather because of the inevitable national importance of that city eventually, than of the expectation that a banking business can be rapidly acquired there. In connection with the building of the Crow's Nest Pass branch of the Canadian Pacific Railway we have opened three offices: one at Fernie, where the offices of the Crow's Nest Pass Coal Co'y are situated; one at Cranbrook, a point on the railway to which a large share of the business of the East Kootenay district must eventually come; and one at Greenwood, the chief town in the Boundary Creek country, destined to be a gold and copper mining country of great importance. These offices may not be profitable for some time to come, but they put us in a position to share in the mining business of that great country when ore shipping has actually begun. We

have opened a branch at Atlin, in the extreme north of British Columbia, but until the close of the first season it will be idle to discuss whether this will be a profitable venture or not. The agency established at Skagway in Alaska was necessary in connection with our business at Dawson and Atlin, and besides there is a moderate volume of business developed directly at Skagway, although perhaps not enough to justify a bank having no other connection with the western gold fields. Our branch at Dawson has answered our expectations, which, however, were much more moderate than those of some of our friends, who have had rather wild notions about the possibilities in banking in that country. For the first year large results were hardly to be expected, the expense of sending in our staff, safes and equipment, and of erecting our building being enormous, not to speak of the equally great cost of maintaining an establishment there. Eventually, however, we shall hope to be rewarded for what has been not only an arduous but a very anxious experiment.

You will expect to hear something regarding our unusual outlays in purchasing real estate and erecting offices, especially as we have devoted \$100,000 of earnings to the reduction of the Premises Account, which sum might, with propriety, have been added to the Rest. During the period of business depression, which was markedly a period of real estate depression, we practically bought no properties, but the sudden improvement in business brought sharply before us the necessity of ensuring the permanency of our position in certain parts of Toronto, and also the question as to whether we were ever likely to buy and build more cheaply in such places as Winnipeg and Vancouver. We have, therefore, purchased the business block in which our North-West Toronto Branch is situated, at the corner of Spadina Ave. and College St. We have acquired land at the corner of Bloor and Yonge Sts., on which we are erecting a building for the use of the North Toronto Branch. In Winnipeg we have bought the property on which the premises heretofore rented by the Bank in that

city were situated, and also the lot adjoining, and on the land thus acquired we are erecting a handsome building, suitable not only for the large business we are now doing in Winnipeg, but architecturally not inferior to the best banking buildings elsewhere in Canada. We have acquired what we believe to be one of the best corners in Vancouver, but it is not our purpose to build thereon during the ensuing year, especially as Vancouver is growing so fast that another twelve months may vary considerably the character of the building it would be prudent to erect there.

A year ago we complimented the Finance Minister on his intention to reduce the rate in the Post Office Savings Bank to  $2\frac{1}{2}$  per cent. Action, however, has thus far been deferred, doubtless because of the fear of financial disturbance in connection with the Spanish-American war, and because of rumours of other wars. There has, however, been no financial disturbance, and the outlook at the moment is most promising, and we therefore hope that action will ere long be taken. It is quite clear that the interest rate paid by mercantile borrowers in Canada is directly influenced by the rate paid by the Government in its savings bank, when that rate is maintained at an artificial figure.

The General Manager spoke as follows :—

#### GENERAL MANAGER'S ADDRESS.

The conviction of general prosperity at the moment is so universal that it is happily not necessary to elaborate the facts in order to prove it. From almost every one of our branch managers we hear practically the same story. The farmers have had as a whole a good yield and good prices, and they have in the main been following better methods and higher branches of farming than heretofore. This, following several years of economy, has made them rich relatively to the past, whatever actual riches may mean. Thus the record of trade in the towns and cities is one of rapid increase, and business obligations of all kinds were never better fulfilled.

We have had years when farmers paid their obligations of a pressing nature, but not their debts to the shopkeepers ; this year the farmer has been not only a good payer but a good buyer, and the shopkeeper has in turn not only honoured his obligations better than for many years, but has shortened the terms of the credit he requires, in many cases paying cash where he did not before do so.

These are some of the very simple and homely facts which underlie and make possible the extraordinary figures prepared in a series of diagrams for the use of the Minister of Finance in his recent Budget Speech. If we find that the imports and exports, the balance of trade in favour of the country, the tonnage of shipping, the miles of railroad and the traffic carried, the life and fire insurance in force, the deposits and discounts in the banks, are all not only much larger than in recent years, but are all at the highest figures ever known in our history, whilst business failures are at the lowest since 1884, although the volume of bank discounts is about 50 per cent. greater than at that time—we do not need a close analysis of the facts to tell us that we are prospering. It may be profitable, however, to compare the present with one of the high-water marks of the past, and a glance at the diagrams in question will show that 1883 is the most suitable for such a comparison, the figures of that period being in almost every case higher than those of previous years. We find that although our exports are sixty-six millions of dollars higher than in 1883, our imports are only eight millions higher, and we have turned a balance of trade against us of thirty-four millions into a balance in our favour of nearly twenty-four millions. In the railroad figures we find that the miles in operation have about doubled, and the traffic has a little more than doubled. Life insurance in force is nearly three times as great and fire insurance has increased nearly sixty per cent. Deposits with the banks, the government savings banks and the loan companies have more than doubled, increasing from 147 millions to 311 millions of

dollars, while the increase in bank discounts has been from 174 to 245 millions, or less than 50 per cent.

There seems little doubt that this unusual expansion is an epoch in our commercial history. But recently we seemed to be, apart from our lumber interest, a people entirely dependent upon the results of agriculture ; indeed, we talked about lumber and wheat and our financial salvation in the same breath. We sought to manufacture for home consumption a few of the articles which entered most actively into our national use. We knew we had great mineral resources, but felt that we had neither the people, the capital, nor the markets necessary to their development. Now our farming in the best districts, and more or less everywhere, no longer rests upon the growth of cereals alone, but upon a broad basis of variety in products ; we manufacture every year a wider range of the objects which enter into our national use ; and we are building up a foreign trade in manufactured goods on a sound basis, one line of goods following another as we are able by geographical position, the nature of our raw material and the capital and skill of our people to meet the other manufacturers of the world. We are at last without doubt a mining nation, and it does not require one to be an enthusiast to realize that we shall soon be one of the great mining nations.

#### LUMBER.

Our lumber industry, after the effects of several years of *general depression in trade and of unfriendly legislation on the part of the United States*, has entirely recovered its tone, and apparently nothing hangs over the market except the threats of the United States lumber lobbyist to engineer further adverse legislation, in order if possible to keep the consumer in the United States at the mercy of the owners of the rapidly diminishing supply of timber now left in that country. This unfriendly legislation hurt us for some years, but with the improvement in business the demand for low grades of lumber has been such as to clear out our yards and

make the immediate outlook quite satisfactory. The demand for lumber of the higher grades continues to be good, and year by year the proportion we are able to export in a more advanced condition of manufacture than that of mere square timber or deals, increases.

The trade in doors, sashes, furniture, etc., is steadily growing, and with the exportation of saw-logs practically at an end, we may hope that out of our remaining forests in Ontario a much larger proportion of wage-earning from the same quantity of lumber will accrue to our people than in the past. As the best of our pine and hardwoods is being cut we are finding use as lumber for many woods hitherto despised, and with the development of our water powers for the making of cheap pulp, to be put doubtless to many uses not now thought of, we may look forward to national revenues and manufacturers' profits from our forests for all time to come. Permit me once more, however, to urge the necessity of adequate forestry laws. The Government is, I am aware, taking more advanced views than hitherto, but it seems very desirable, now that we have the sharp experience of provincial taxes resulting from declining Crown dues from timber, to create a public sentiment which will demand forestry laws as advanced as those of any other country. In British Columbia, where, because for the moment timber seemed to have little realizable value, vast areas have been burned, the future of lumbering looks more prosperous than at any time in the past, and we may hope that it will take its place as one of the safe and permanent industries of that province.

#### MINING.

Both in the Atlantic and in the Pacific provinces we have enormous stores of coal and the importance of these sources of natural wealth is gradually being appreciated. In some of the coal-fields of both areas excellent coke can be made, and we are reasonably certain to see the minerals of British Columbia and of parts of the United States smelted with our own coke, and in our Atlantic provinces to see the manufac-

ture of iron and steel for export on a satisfactory scale, based also largely upon our ability to make our own coke. In the west many gold, silver and copper mines will, as a result, be worked and in the east iron ore will be mined, which but for cheap coke might lie useless forever. It is of course impossible to estimate the future prices of iron and copper. The present high prices and scale of consumption will doubtless not continue but will fluctuate as they always have fluctuated. We cannot, however, regard the greatly increased use of steel in Europe and America for structural purposes, requiring for its production certain kinds of ores which we possess largely, and the increased use of copper in electrical and other manufactures, the ore of which we also possess in such vast quantities, without the conviction that we are at last to add two great items to our sources of wealth which have hitherto been held in reserve. In three years the iron production of the world has increased eight million tons and since 1890 the increase has been fifty per cent. Has the time not come when we are to share in this great development?

#### AGRICULTURE.

As you all know, there is little to be said about the results of agriculture last year which is not favourable. We were disturbed about the wet weather last autumn in Manitoba, but nevertheless the railroads have already moved twenty-one million bushels of wheat out of the North-West, and three-quarters of this graded as Nos. 1 and 2 Hard, and No. 1 Northern, so that with more wheat not yet shipped, the farmers in that part of Canada have prospered. The figures for cattle exports are still very small, and it is disappointing to learn that out of about 60,000 cattle shipped from the North-West as many as 22,000 were lean cattle sold into the United States, to be fattened there instead of in Canada. This is of course a much more serious matter than the mere loss of the profit of feeding them. Considering all sources together, the farmers of Manitoba and the adjacent territories have in the past two years received thirty million dollars for their





SAN FRANCISCO, CAL.

Before the fire of 1906; now being reconstructed



products, a very large sum indeed for such a small number of farmers. This bountiful return, in proportion to the labour, points most sharply to the desirability of immigration. Farming is paying better than it did some years ago, and men are again getting the land hunger which seemed to have been dying out. During 1898 about 28,000 immigrants came into the North-West, but in the five months of 1899 about 21,000 have already arrived. It is true we are discussing the desirability of many of these as settlers in Canada, but if they will work at the *out-door labour of farming with only reasonable industry*, we need not be afraid of the result. Until we are a great manufacturing country with crowded cities we cannot afford and do not need to discuss too closely the people who come to Canada, provided they will but work.

In this part of Canada where our farming, as a rule, is of a higher order, we have had another good season for our dairy products. The quantity of cheese exported was 183,288,624 pounds, valued at \$15,916,507, a falling off of 14,961,024 pounds, valued at \$1,983,103; but this is partly due to the great increase in our recently developed creameries, the export of butter reaching 18,974,572 pounds valued at \$3,492,000. From many places we hear of cheese factories being converted into creameries, although, as a rule, the one industry is growing up alongside of the other. In any event we are putting our dairy business on a firmer basis by manufacturing for export the two articles.

A large and profitable business has been done by the farmer in cattle and hogs, although the buyer has not always been so fortunate as the seller. The sale, in recent years, of lean cattle to the United States has had the effect of lowering seriously the quantity of cattle in Ontario, and both in numbers and in quality we should witness an improvement during the next few years. As to the outlook for the ensuing season, the fall wheat is clearly in a bad way, but the spring crops, about which we were troubled at one time, are now promising a good harvest. The farmers, dissatisfied with the price, are

holding back a good deal of wheat in many counties; the pasturage, from which most of our wealth comes, is abundant, and there seems to be no reason to think that the majority of farmers will not have as large receipts this year as usual.

#### TRANSPORTATION.

All these things, wheat growing, cattle raising, mining, whatever the industry may be in a new country, lead to the one ever-pressing question, transportation. It would be well for all of us to consider that we have ahead of us responsibilities in transportation not only pressing but requiring us to hold wider views of our national destiny than we are in the habit of holding. Russia, according to a recent report, had in 1897 about 25,000 miles of railroad in operation against our 16,000 miles, and there were in 1898, according to the *Journal de St. Petersburg*, in course of construction and authorized to be commenced shortly over 8,000 miles. Of this total, additions to over twenty existing lines of over 3,700 miles are actually under construction. According to the Canadian Government diagrams already referred to, we are not building more than 200 or 300 miles of new railway per annum. Russia, therefore, with only 50 per cent. more railway in 1897 is building at more than ten times the rate of Canada. There is perhaps not much value in comparing two countries, one with five million people and the other with over 100 millions, but territorially there is certainly some room for comparison.

Clearly we need more railroads, more inland ships and on entirely new models, quicker transportation at sea, deeper canals, better terminal facilities at our sea-ports. If we were carrying our own products to the European countries where they are consumed, these needs would still exist but they would not be so pressing; their absence would not be so much in the nature of a national shame.

#### FINANCIAL SITUATION.

In surveying the financial situation in the United States there is one ground for uneasiness which appears to have been almost lost sight of for the moment. The advance in the

price of merchantable commodities and of stock exchange securities has been, as we all know, phenomenal, thus exciting speculation to a hitherto unparalleled degree. The formation of new companies has already used up a good deal of the money which has been lying idle for some years past, and it is quite possible that trouble may come at any moment, especially in connection with the movement of the crops, because of the rigid condition of the currency system in the United States. It has been seen by the Comptroller of the Currency and other close students of financial affairs, even in the matter of currency of small denominations used for change making, that there may be something little short of a panic if a remedy is not found. It is really astounding that a nation of such intelligence is willing to go on year after year subjecting itself to quite unnecessary danger, merely because it will not face reforms which have long since been admitted to be necessary.

In Canada we have taken a larger share in the flotation of companies, and in other financial operations connected with securities, than ever before, and it would be well for prudent people to bear in mind that the amount of money at the disposal of the Canadian public for investment in new companies is distinctly limited, and if we go beyond the danger line we are certain to be sharply punished.

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

It was moved by Mr. McCabe, 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 the course of his remarks in offering the motion Mr. McCabe said :—

The growth of four and a half millions in the deposits during the past year is remarkable. It would not, however, be a favourable development unless the Directors exercised prudence in making provision for such an increased liability.

But this they have done most effectually, because while the deposits aggregate \$27,726,000 the liquid assets—by which is meant the assets immediately convertible—amount to \$16,616,000, or about 60 per cent. This is a very satisfactory state of affairs.

I am glad to observe, Mr. Chairman, that the Bank has had the enterprise to reach out to the far West, and to make provision for doing business in the newly settled parts, where development is going on rapidly.

I have much pleasure, Mr. Chairman, in moving the vote of thanks which I have just read.

Mr. C. D. Massey.—Mr. President, it is my privilege and pleasure to second this resolution, and I do so not only in form, but with all heartiness.

The motion was then put and carried unanimously.

The President.—On my own behalf, and on behalf of my colleagues, I desire to thank you for the very cordial way in which you have received this resolution. The Directors, I can safely say, and the officers of the Bank also, have given the most earnest attention to the affairs of the Bank.

The mover of the resolution, in the course of his remarks, made reference to the revaluation of the Bank's assets. I may say that this is, every year, very carefully and very thoroughly done. We believe that the figures before you show the position of the Bank in a very fair way. If there is any mistake at all in the valuing of our assets it is on the right side. I think the Directors will bear me out in saying that the rigid and careful revaluation of the assets has been such as to give us every reason to believe that we have absolute value for the figures that we show you here.

Mr. Martin.—I have pleasure in moving this resolution:—

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.

The past year has no doubt been one involving an unusual amount of responsibility for the Directors, the General Manager, the Assistant General Manager and the staff. That they have given their best attention to their work is perfectly clear, and that it has had so satisfactory a result is gratifying to the Shareholders. One does not like to look far ahead, but we hope that next year the practice will be resumed of making an addition to the Reserve. Practically this has been done this year, but I hope that we may be able to make an actual addition to the Reserve at the end of the incoming year.

As has been said, it is only right that the Shareholders should give to the staff as well as to the Directors an expression of their sympathy and confidence, and of their appreciation of what they have done.

Mr. Langmuir.—I have great pleasure in seconding the resolution. I most heartily endorse what has been said by Mr. Martin.

The President.—I always submit this resolution with more than usual pleasure, because whatever may be said of the care and attention of the Directors, it is the untiring care and attention of the General Manager, the Assistant General Manager and their staff that gives you the results you see here from year to year. You all know that while the Directors may contribute in a certain measure to the success of the Bank, it is the watchful vigilance and care of the executive officers of the Bank and their loyal staff throughout the country that results in the progress and prosperity shown by the figures which we have submitted to you in the Report.

The General Manager.—I have to thank you very much for the resolution on my own behalf, on behalf of the Assistant General Manager, who is absent on duty, the Inspector, who is present with us to-day, and of the staff. I think the staff now comprises in the neighbourhood of 425 men, or thereabouts, which is, of course, a very large body of men to manage, but I think I can safely say that almost every officer from

the youngest junior up is entitled to his share in this resolution, and whatever other qualities our men may have they have *esprit de corps*. They believe in the Bank; they believe absolutely that everyone is contributing his share towards its prosperity, and this quality is not only pleasant to us, but is a source of strength to the Bank. I do not know that I need say anything further. We have had a very much more laborious year than usual; that we have come to the end of it with satisfaction, is our reward.

The resolution was carried unanimously.

Moved by Dr. Hoskin, seconded by Mr. Hamilton, 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:— Hon. George A. Cox, Messrs. James Crathern, William B. Hamilton, John Hoskin, Q.C., LL.D., Robert Kilgour, Matthew Leggat and Joseph W. Flavelle.

At a meeting of the newly elected Board of Directors held subsequently, Hon. George A. Cox was re-elected President, and Robert Kilgour, Esq., Vice-President.