

# THE CANADIAN BANK OF COMMERCE

WITH WHICH HAVE BEEN AMALGAMATED  
THE BANK OF BRITISH COLUMBIA  
AND  
THE HALIFAX BANKING COMPANY

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HEAD OFFICE - TORONTO, ONTARIO

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CAPITAL PAID-UP - - - - - \$8,700,000  
REST - - - - - \$3,000,000

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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., K.C., LL.D.  
JOSEPH W. FLAVELLE, ESQ. A. KINGMAN, ESQ.  
HON. L. MELVIN JONES. FREDERIC NICHOLLS, ESQ.

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*LONDON, ENGLAND, BOARD:*

WILLIAM C. WARD, ESQ., - Chairman.  
HENRY J. GARDINER, ESQ.

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*HALIFAX BOARD:*

ROBIE UNIACKE, ESQ., - Chairman.  
C. W. ANDERSON, ESQ. W. J. G. THOMSON, ESQ.  
JOHN McNAB, ESQ. W. N. WICKWIRE, ESQ.

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**B. E. WALKER**, General Manager.  
**ALEX. LAIRD**, Asst. General Manager.

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*INSPECTORS' DEPARTMENT:*

A. H. IRELAND, Chief Inspector and Superintendent of Branches.  
H. H. MORRIS, Inspector, Vancouver. V. C. BROWN, Inspector, Toronto.  
C. CAMBIE, Asst. Inspector.

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F. G. JEMMETT, - - - Secretary.

## BRANCHES AND AGENCIES

### BRITISH COLUMBIA—

ATLIN.....	D. ROSS.....	Manager.
CRANBROOK.....	F. C. MALPAS.....	"
FERNIE.....	E. H. BIRD.....	"
GREENWOOD.....	W. ALLISON.....	"
KAMLOOPS.....	C. W. HALLAMORE.....	"
LADYSMITH.....	GEO. WILLIAMS.....	"
NANAIMO.....	GEO. WILLIAMS.....	"
NELSON.....	BRUCE HEATHCOTE.....	"
NEW WESTMINSTER.....	H. R. DAVIDSON.....	"
VANCOUVER.....	WM. MURRAY.....	"
Do. EAST.....	C. W. DURRANT.....	"
VICTORIA.....	GEO. GILLESPIE.....	"
	JAMES SIMON.....	Asst. Mgr.

### MANITOBA AND NORTH-WEST TERRITORIES—

CALGARY.....	C. W. ROWLEY.....	Manager.
CARMAN.....	E. C. COMPLIN.....	"
DAUPHIN.....	J. S. MUNRO.....	"
DAWSON.....	D. A. CAMERON.....	"
	T. B. MAY.....	Asst. Mgr
EDMONTON.....	T. M. TURNBULL.....	Manager
ELGIN.....	D. H. DOWNIE.....	"
ELKHORN.....	E. M. SAUNDERS.....	"
GILBERT PLAINS.....	H. JEMMETT.....	"
GRANDVIEW.....	H. JEMMETT.....	"
INNISFAIL.....	H. M. STEWART.....	"
MEDICINE HAT.....	F. L. CRAWFORD.....	"
MOOSEJAW.....	R. A. RUMSEY.....	"
MOOSOMIN.....	E. M. SAUNDERS.....	"
NEEPAWA.....	G. M. GIBBS.....	"
PONOKA.....	R. H. BROTHERHOOD.....	"
PORTAGE LA PRAIRIE.....	A. L. HAMILTON.....	"
PRINCE ALBERT.....	C. G. K. NOURSE.....	"
RED DEER.....	A. SCOTT.....	"
REGINA.....	HY. F. MYTTON.....	"
SWAN RIVER.....	F. J. MACOUN.....	"
TREHERNE.....	H. HAINES.....	"
WHITE HORSE.....	L. M. DEGEX.....	"
WINNIPEG.....		
Do. NORTH.....	JOHN AIRD.....	"
Do. PORTAGE AVE.....		
Do. NOTRE DAME AND SHERBOURNE STS		

BRANCHES AND AGENCIES—Continued.

ONTARIO AND QUEBEC—

AYR .....	A. G. VERCHÈRE.....	Manager.
BARRIE .....	H. J. GRASETT.....	"
BELLEVILLE.....	C. M. STORK.....	"
BERLIN .....	E. P. GOWER.....	"
BLenheim.....	W. H. LUGSDIN .....	"
BRANTFORD .....	H. W. FITTON.....	"
CAYUGA .....	J. L. BARNUM.....	"
CHATHAM .....	J. E. THOMAS.....	"
COLLINGWOOD.....	JAS. BRYDON.....	"
DRESDEN .....	J. MCE, MURRAY.....	"
DUNDAS .....	W. H. DUNSFORD.....	"
DUNNVILLE .....	R. T. MUSSEN .....	"
FORT FRANCES .....	J. A. SMITH.....	"
GALT.....	H. R. O'REILLY.....	"
GODERICH .....	R. S. WILLIAMS.....	"
GUELPH.....	J. M. DUFF.....	"
HAMILTON .....	D. B. DEWAR .....	"
LONDON.....	JEFFERY HALE.....	"
MONTREAL.....	{ F. H. MATHEWSON.....	"
	{ W. C. J. KING.....	Asst. Mgr.
ORANGEVILLE .....	G. A. HOLLAND.....	Manager.
OTTAWA .....	ROBERT GILL.....	"
PARIS .....	R. C. MACPHERSON .....	"
PARKHILL .....	T. L. ROGERS.....	"
PETERBORO .....	D. HUGHES CHARLES .....	"
PORT PERRY .....	CHAS. BALLARD.....	"
RAINY RIVER .....	J. A. SMITH.....	"
ST. CATHARINES.....	R. G. W. CONOLLY.....	"
SARNIA .....	A. D. MCLEAN.....	"
SAULT STE. MARIE .....	A. W. ROBARTS.....	"
SEAFORTH .....	G. E. PARKES.....	"
SIMCOE .....	E. COWDRY .....	"
STRATFORD .....	WM. MAYNARD.....	"
STRATHROY .....	L. H. DAMPIER.....	"
TORONTO (Chief Office)..	{ JOHN C. KEMP.....	"
	{ M. MORRIS .....	Asst. Mgr.
BLOOR AND YONGE .....	R. J. MONTGOMERY.....	Manager.
BROADVIEW AND QUEEN ..	J. G. BOYCE.....	"
163 KING ST. EAST.....	T. A. CHISHOLM .....	"
399 PARLIAMENT ST.....	V. E. HART.....	"
QUEEN AND BATHURST....	E. M. PLAYTER .....	"

BRANCHES AND AGENCIES—Continued.

SPADINA AND COLLEGE	W. MANSON	Manager.
YONGE AND COLLEGE	F. O. CROSS	"
TORONTO JUNCTION	R. C. JENNINGS	"
WALKERTON	G. M. WEDD	"
WALKERVILLE	A. W. RIDOUT	"
WATERLOO	F. C. G. MINTY	"
WIARTON	J. J. ACRES	"
WINDSOR	D. MACGILLIVRAY	"
WOODSTOCK	G. W. MCKEE	"

MARITIME PROVINCES—

AMHERST	J. H. MORRISON	Manager.
ANTIGONISH	G. C. T. PEMBERTON	"
BARRINGTON	F. W. HOMER	"
BRIDGEWATER	D. I. FORBES	"
CANNING	C. HENSLEY	"
HALIFAX	H. N. WALLACE	"
LUNENBURG	W. C. T. MORSON	"
MIDDLETON	W. H. CHIPMAN	"
NEW GLASGOW	B. DEVEBER	"
PARRSBORO	A. S. TOWNSHEND	"
SACKVILLE	W. H. HARRISON	"
ST. JOHN	J. G. TAYLOR	"
SHELBURNE	T. W. MCGEE	"
SPRINGHILL	E. B. FAIRBANKS	"
SYDNEY	P. C. STEVENSON	"
TRURO	J. MOORMAN	"
WINDSOR	J. A. RUSSELL	"

UNITED STATES—

NEW YORK	{ WM. GRAY	} Agents.
	{ H. B. WALKER	
PORTLAND, OREGON	E. A. WYLD	Manager.
SAN FRANCISCO	ARCH. KAINS	"
SEATTLE	G. V. HOLT	"
SKAGWAY	H. M. LAY	"

GREAT BRITAIN—

LONDON, 60, Lombard Street, E.C.	
S. CAMERON ALEXANDER, Manager.	
ADAM STODART	} Asst. Managers.
H. V. F. JONES	

## BANKERS AND CHIEF CORRESPONDENTS

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### GREAT BRITAIN—

The Bank of England; The Bank of Scotland; Lloyds Bank, Limited;  
The Union of London and Smiths Bank, Limited; Parr's Bank,  
Limited.

### UNITED STATES—

NEW YORK—The American Exchange National Bank, The Fourth  
National Bank; BOSTON—The Bank of Nova Scotia, The National  
Shawmut Bank; BUFFALO—The Marine National Bank; CHICAGO  
—The First National Bank, The Northern Trust Company; DE-  
TROIT—The People's Savings Bank, The Commercial National  
Bank; MINNEAPOLIS—The North-Western National Bank; NEW  
ORLEANS—The Commercial National Bank; PHILADELPHIA—  
The Fourth Street National Bank.

### FRANCE—

Crédit Lyonnais, Paris; Messrs. Lazard Frères & Cie., Paris.

### GERMANY—

Deutsche Bank.

### HOLLAND—

Disconto Maatschappij, Rotterdam.

### BELGIUM—

Messrs. J. Matthieu & Fils, Brussels; Banque d'Anvers, Antwerp.

### SWITZERLAND—

Banque Fédérale, Zurich.

### INDIA, CHINA, JAPAN AND THE PHILIPPINE ISLANDS—

Chartered Bank of India, Australia and China; Hong Kong and  
Shanghai Banking Corporation.

### SOUTH AFRICA—

Standard Bank of South Africa, Limited; Bank of Africa, Limited.

### AUSTRALIA AND NEW ZEALAND—

Union Bank of Australia, Limited; Bank of Australasia; National  
Bank of Australasia, Limited.

### HAWAIIAN ISLANDS—

First National Bank of Hawaii, Honolulu; Bishop & Co., Honolulu.

### SOUTH AMERICA—

British Bank of South America, Limited; London & Brazilian Bank,  
Limited; Bank of Tarapacá and Argentina, Limited.

### MEXICO—

Banco de Londres y Mexico.

### WEST INDIES—

Bank of Nova Scotia, Kingston, Jamaica; Colonial Bank and  
Branches; National Bank of Cuba, Havana, Cuba.

### BERMUDA—

Bank of Bermuda, Limited, Hamilton.

# GENERAL STATEMENT

30TH NOVEMBER, 1903.

## LIABILITIES

Notes of the Bank in circulation .....	\$ 7,880,547 68
Deposits not bearing interest.....	\$17,323,760 67
Deposits bearing interest, including interest accrued to date.....	45,459,894 80
	62,783,655 47
Balances due to other Banks in Canada.....	138,820 91
Balances due to other Banks in foreign countries .....	367,407 45
Dividends unpaid.....	1,398 67
Dividend No. 73, payable 1st December .....	304,500 00
Capital paid-up .....	\$ 8,700,000 00
Rest.....	3,000,000 00
Balance of Profit and Loss Account carried forward.....	165,559 14
	11,865,559 14
	\$83,341,889 32

## ASSETS

Coin and Bullion .....	\$ 2,564,064 39
Dominion Notes .....	3,367,241 75
	\$ 5,931,306 14
Deposit with Dominion Government for security of Note circulation.....	391,400 00
Notes of and Cheques on other Banks .....	3,464,629 89
Balances due by other Banks in Canada .....	18,905 19
Balances due by Agents in Great Britain.....	3,409,164 94
Balances due by Agents of the Bank and other Banks in foreign countries.....	913,772 21
Government Bonds, Municipal and other Securities.....	6,958,076 23
Call and Short Loans.....	9,908,590 61
	\$30,995,845 21
Other Current Loans and Discounts .....	50,584,275 94
Overdue Debts (loss fully provided for).....	353,474 02
Real Estate (other than Bank Premises).....	167,307 99
Mortgages .....	166,056 93
Bank Premises.....	1,000,000 00
Other Assets .....	74,929 23
	\$83,341,889 32

B. E. WALKER,  
General Manager.

# THE CANADIAN BANK OF COMMERCE

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## REPORT OF THE PROCEEDINGS

OF

## THE ANNUAL MEETING OF SHAREHOLDERS

TUESDAY, 12TH JANUARY, 1904.

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The thirty-seventh Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking-house on Tuesday, 12th January, 1904, at 12 o'clock.

Among those present were:—William Cook, Carrville; Rev. Wesley Casson, J. W. Flavelle, Henry Beatty, Wm. Ross, Hon. George A. Cox, Col. Mason, C. M. Gripton, St. Catharines; John Hoskin, K.C., LL.D., F. J. D. Smith, Mrs. F. J. D. Smith, Newtonbrook; C. S. Gzowski, Robert Kilgour, Rev. Dr. Warden, James Hedley, Frederick Wyld, James Crathern, Montreal; Robert Thompson, A. V. Delaporte, A. Kingman, Montreal; Rev. Dr. Armstrong Black, Ed. Cronyn, Melfort Boulton, W. B. Hamilton, G. W. Yarker, John Massey, Thomas Walmsley, Wm. Garside, Chas. Bonnick, E. R. Wood, H. H. Fudger, F. C. Bruce, J. A. Bruce, Hamilton; J. J. Kenny, W. Prendergast, W. T. Boyd, E. Saunders, David Smith, W. A. Murray, Montreal; A. W. Anglin, E. H. Bickford, Walter Cassels, K.C., Samuel Nordheimer, H. D. Warren, Col. Pellatt, Robert Cassels, Rev. Dr. Briggs, J. S. McMaster, David Kemp, J. W. Langmuir.

The President, Hon. George A. Cox, having taken the chair, Mr. F. G. Jemmett was appointed to act as Secretary, and Messrs. Melfort Boulton and E. Cronyn were appointed 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-seventh Annual Report covering the year ending 30th November, 1903, together with the usual Statement of Assets and Liabilities :—

The balance at credit of Profit and Loss Account brought forward from last year was..	\$ 152,821 07
Surplus derived from purchase of assets of the Halifax Banking Company, as per statement at foot is .....	293,028 38
Net profits for the year ending 30th November, after providing for all bad and doubtful debts, amounted to .....	1,004,217 31
	<u>\$1,450,066 76</u>

Which has been appropriated as follows :—

Dividends Nos. 72 and 73, at seven per cent. per annum :—	
For the year on \$8,000,000 .....	\$560,000
For six months on \$700,000 new stock .....	24,500
	<u>\$ 584,500 00</u>
Transferred to Rest Account, after the amalgamation with the Halifax Banking Company	500,000 00
Written off Bank Premises.....	185,007 62
Transferred to Pension Fund (annual contribution) .....	15,000 00
Balance carried forward.....	165,559 14
	<u>\$1,450,066 76</u>



THE RESULT OF THE PURCHASE OF THE ASSETS OF THE  
HALIFAX BANKING COMPANY IS AS FOLLOWS:—

Surplus of assets over liabilities, at our re-valuation.....	\$1,039,028 38
Paid to Shareholders in cash ....	\$ 6,000 00
Transferred to Pension Fund to provide for claims of the staff of the Halifax Banking Company .....	40,000 00
Credited to Capital Account for 14,000 shares new stock issued to the Shareholders of the Halifax Banking Company.....	700,000 00
	<u>746,000 00</u>
Balance transferred to Profit and Loss Account	\$ <u>293,028 38</u>

The entire assets of the Bank have been, as usual, carefully re-valued, and all bad and doubtful debts amply provided for.

The Directors have to report another satisfactory year in the matter of profits, and after adding to the ordinary earnings of the Bank the premium arising from the new stock issued to the Shareholders of the Halifax Banking Company, namely, \$293,028.38, we have been able to add \$500,000 to the Rest, and to write off Bank Premises the sum of \$185,007.62.

During the year the Bank has opened new branches as follows:—In Ontario, at Rainy River; in Manitoba, at Elkhorn, North Winnipeg, and Portage la Prairie; in the North-West Territories, at Innisfail, Ponoka, Prince Albert, Red Deer and Regina; in British Columbia, at East Vancouver; and in Nova Scotia, at Sydney. It has also assumed the offices of the Halifax Banking Company at the following places:—Sackville and St. John, in New Brunswick; and Amherst, Antigonish, Barrington, Bridgewater, Canning, Halifax, Lockeport, Lunenburg, Middleton, New Glasgow, Parrsboro', Shelburne, Springhill, Truro and Windsor, all in

Nova Scotia. The branch at Lockeport, N.S., taken over from the Halifax Banking Co., and that at Sandon, B.C., have been closed.

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, 12th January, 1904.

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

PRESIDENT'S ADDRESS.

It gives your Directors great pleasure to lay again before the Shareholders a Report showing handsome profits and most substantial growth. The profits again exceed one million dollars, and while in view of the increase in capital for a part of the period, the percentage is less than last year, still it exceeds 12 per cent. on the average capital of the year. In addition to these ordinary profits we have to deal with the sum of \$293,028.38, being the profit derived from the purchase of the assets of the Halifax Banking Company. Out of this total we have transferred to the Rest Account \$500,000, and we have expended on Bank Premises, out of the year's profits, the large sum of \$185,007.62. After making our usual annual contribution to the Pension Fund, the balance of the Profit and Loss Account carried forward amounts to \$165,559.14. It will be observed that out of the surplus in the assets of the Halifax Banking Company we have provided \$40,000 in order to place the officers of that bank, who have been fully admitted to our staff, on an equality with their fellows in our Pension Fund. But for this the profit on the purchase would have been \$333,028.38. The expenditure on Bank Premises, which will probably be considerable for each year during the present period of rapid



TORONTO, ONT.  
Spadina and College Branch



growth, has been unusually large this year on account of the addition and the improvements made in our Head Office building.

The increase in the total of our assets is about \$10,500,000. Towards this the Halifax Banking Company contributed \$5,870,000, and the balance represents the growth of our ordinary business. Our bank note circulation shows an increase of \$512,505, but this is more than balanced by the circulation of the Halifax Banking Company, now either assumed in our account or replaced by our notes. In past years many banks whose capital did not afford circulation sufficient for their actual business, borrowed or hoarded our notes in times when circulation was urgently needed. This year, owing to the large increase in the capital of many banks, most of them have been able to supply their own wants, and thus the maintenance of our circulation at last year's level indicates sufficient growth in our own business to overcome this use of our notes by other banks.

This has been another year of rapid expansion in banking in Canada, especially if we judge by the number of new branches opened. Over 150 new offices of Canadian banks have been created during the year. This brings the total of bank establishments up to about 1,020 as compared with about 700 in 1900. No new banks, however, commenced business during the year and by absorption the total number of banks is even slightly reduced. To what extent the opening of new branches is being carried beyond prudence it is not easy to say. That the country still desires the opening of branches in very many places where there is satisfactory promise for the future but inadequate banking facilities, is certainly true, but the problem which we have to consider is at least two-fold. First, we cannot carry on a bank successfully without a well-trained staff, and we cannot provide bank managers to order, if the requirements are too numerous at any one time. Secondly, we cannot afford to carry more than a certain number of new, and therefore

probably for the time being, unprofitable branches, at any one time. The chief fault on the part of the banks seems to be in the distribution of the facilities they have to offer to the public. People are well pleased when first one and then two, three and four banks open branches in their particular town, but unfortunately this often very foolish competition has not only the effect of making profit impossible for the banks in the particular place, but of making it impossible for some of these banks to put the wasted facilities in this town at the disposal of some other place where there is no bank at all. I hope it will be understood that we are not attempting to criticise other banks. We are all guilty and will probably continue so until competition enforces a more sensible policy.

While our Statement shows that we have been prosperous, and our General Manager, in the summary of business conditions about which he will speak to you in a few minutes, sees no reason to doubt the continuance of at least reasonable prosperity, still the year has been one of unusual anxieties, requiring on the part of your Directors and the general management the exercise of great prudence. Not to aid in a too rapid expansion and yet not to check a legitimate expansion, is clearly our duty, but it is one requiring the exercise of constant study and anxiety. We have had a year unusually free from the losses attending the business of lending money, but we have come to the end of a year almost unparalleled in shrinkage in the quotation value of almost all securities, and in this shrinkage the most important relatively has been that of British Consols, of which we hold a considerable amount. In view of our very large holding of various classes of securities we are glad to be able to state that we have provided whatever was necessary to write every security to the quoted value at the date of our Statement. Were it not for the necessity of making this provision we would have been able to show profits considerably larger than last year.

Apart from the decline in the prices of securities our greatest anxiety during the year has been in connection with

the money markets of the world. There seemed to be a conviction that in view of the discrediting of so many United States stock exchange securities and of the quantity of undigested securities carried by the banks in eastern reserve cities, these banks would be unequal to the demand made in the autumn for carrying the western and southern crops to market. This conviction was noticeably strong in London and seemed to materially influence opinion there. We, however, have steadily hoped that the warning of the spring would cause that adjustment of affairs all over the country, which would avoid in the autumn what everybody dreaded and what everybody had in mind, and this is what did take place. When we compare the condition of the banks in the reserve cities with that of a year ago we find that while the resources of New York, Boston, and four middle and western cities declined, Chicago just about held its position, and nine other reserve cities, mostly western, increased their resources.

In London many influences besides the condition in New York have been apparent. The sudden rise in the bank rate following a period when the money market seemed to be righting itself, and the great fall in the price of Consols and Transvaal war loan issues, accompanied naturally by the sale of large blocks for foreign account, all seemed to show that Great Britain had perhaps not felt the full cost in money of the war until now. With the stoppage of new flotations, at least of the speculative kind, and the gathering of the results of the year's industry unaccompanied by violent expenditures on capital account, we must hope that the London money market will gradually improve. Although the drought is over and the business outlook in Australia is now much better, the new government and the various States are making demands on the London money market which are seriously large, while in South Africa there has been a collapse of the inflated trade which followed the establishment of peace, and it is thought that business will be very dull for some time to

come. Whether our credit will be aided by the contrast we present both in prosperity and in the extent of our demands on the London money market, or not, this much is clear, that it should be, and that we should do as little as possible to impair the high standing to which we are justly entitled at the present time.

The General Manager then spoke as follows :—

GENERAL MANAGER'S REMARKS.

In coming to the end of the year we must all be conscious that while in most respects it has not been different from other recent years of prosperity, in certain phases it has been sufficiently different to constitute a check upon the rather violent pace of our industrial movement. Whether it is the banker's natural function or not, it is his habit to obtrude his warning in the face of the business world, and if we review what was said in this room a year ago we have little cause to change the opinions then expressed. We have had a year in which the general results of agriculture, pasturage, dairying, mining, lumbering, trading and manufacturing have been excellent, and unmistakably in the matter of national prosperity we are well forward in the race as compared with any previous time. Nor is it easy to imagine conditions in the near future which will prevent this country from making steady progress in a large way relatively to our past.

But just because our future over a series of years seems reasonably certain, it behoves us from time to time to consider in close detail the causes of our general prosperity and of our occasional reverses. It is well to remember that whether we make or mar the future of this great country we did not create its boundless stores of raw material and we have only occasion for self-congratulation in proportion to the good use we make of our opportunities. During the past year it is clear that we have been sharply warned as to our capacity for hindering rather than aiding the industrial development of Canada. The spirit of speculation, especially



of ordinary stock and other forms of gambling on the exchanges, had received a severe check in the autumn of 1902, and during the year following we have witnessed a decline in stock exchange quotations so severe as to sweep away many hastily acquired fortunes, and, what is much worse in the case of very many of our people who were not rich, the savings acquired in their ordinary labours. That the importance of these losses in relation to the prosperity of the country as a whole is quite small there is little doubt, but this fact does not ease the smart to the individuals who have to bear it. We can only hope that the lesson will last for a few years at least, and that we may rest satisfied with a prosperity more humdrum perhaps, but more conducive to real happiness and national well-being. The causes of this check to speculation are, of course, not entirely local, and it is not a mere coincidence that we suffer at the same time as our neighbours. It is not even due in as large a measure as some people suppose, to the connection of our stock and produce exchanges with the exchanges of the United States, and to the international aspect of some of our industrial movements. As in the case of any other violent and long continued movement, nature demands a change toward the equilibrium sooner or later, and the main causes of this change in the United States and Canada are two, viz.:—the gradual disappearance of money available for being fixed in capital expenditures, and the forcing of the cost of production of almost all articles to too high a point, the disturbance in the value of money being the sign of the one and the strikes and general labour troubles of the other. If in addition to these two causes of liquidation we were required to bear that of bad crops, a period of depression—of bad times, in fact—would be almost inevitable in parts of North America. But although the returns from all kinds of agriculture and from pastures are not quite as good as usual we have results sufficiently good to warrant the belief that bad times are not as yet upon us.

However, unless we propose to accept the lessons which flow from exploded speculations, excessive promotions of new or re-organized industrial ventures, and excessive demands on the part of labour, we have no good reason to suppose that we are to be spared the natural consequences. And it should be borne steadily in mind that whether we contribute much or little to such an end, forces at work in the United States may bring about a general decline in prices which cannot fail to hurt us severely.

#### EASTERN CANADA.

In speaking a year ago on the subject of our manufacturing industries, we dealt with the matter so fully as to make it impossible without wearisome repetition to do so again this year. There has been again a quite extraordinary increase in the quantity of goods manufactured, a greater difficulty than ever, during a portion of the year, in securing sufficient labour, and no apparent diminution in the buying power of our people. The feature referred to last year of United States manufacturers establishing additional plants in Canada, or establishing manufacturing plants here in preference entirely to their own country, has been going on with scarcely lessened pace. The export trade of our manufacturers has continued to increase. Only in iron and steel and in cotton and woollen manufacturing are we facing unusually difficult problems, and but for the fall in prices we would doubtless have mastered the making of steel at a profit.

But if, as seems probable, we are to witness a general decline in prices, we must not be slow to recognize what this may mean. As we said a year ago, we must hold our own against a nation fifteen times as large in people and in industries. We cannot stand again, as we have been forced to in the past, the process of absorbing a large part of the surplus product of the United States. It is not a question of which fiscal policy we like, it is a question of holding our own in a time of war. It will only be industrial war, it is true, but it may be as fierce and unrelenting as ordinary war, although the results cannot be so terrible.

Deeply interested as we are in Mr. Chamberlain's proposals, the vital question in tariffs for us at the moment is in connection with our nearest neighbours. After we have protected ourselves against the use of this country as a slaughter market for the United States, we must in some measure try to meet Mr. Chamberlain's proposals. In what particular manner we can best show our sense of the value of the integrity of the British Empire, and what we should be prepared to do to sustain that integrity, are subjects which we cannot attempt to deal with in a mere review of business conditions.

The output of our coal mines is steadily increasing, and the prices continue to keep high enough to produce very handsome profits. This industry is now on such a large scale that we must not expect to get through a year without some local check on the volume of production as against the increase elsewhere. The fire in the mine at Glace Bay was doubtless of unusual importance in this respect, but its effect in the stock market, where the daily features of the fire were used with shameless disregard of truth, was out of all proportion to its actual significance.

The conditions of the lumber trade are not very different from last year. Prices remain high, the cost of production quite keeping pace therewith. Strikes in the building trade undoubtedly affected the demand somewhat, but on the other hand the scarcity of money may lessen the quantity cut in the woods this winter. On the whole the conditions as to supply and demand seem sound, but the prices at which everything connected with the trade is held, are so high as to be somewhat disturbing. At the recent sale by the Ontario Government, however, experienced lumbermen paid such sums per mile for limits as would hardly seem warranted unless we are to face, permanently, new conditions as to the value of all lumber products. We are glad to see that the Government of Ontario, which has just had such ample evidence of the value of our remaining timber, is about to aid in forestry

research in our Provincial University. We can but hope that the work of the Canadian Forestry Association, of the Provincial Directors of Forestry, where such an office has been established, and of forestry departments in our Universities, may some day bring large practical results in the way of further segregation of the country as to timber preserves and in replanting on an extensive scale. The large revenue derived from annual cutting on quite small timber reserves by European governments, should tempt our politicians if they have any concern for their successors in office, or for the people.

In the Maritime Provinces the forest fires during the past summer will doubtless cause an increase in the cut this winter because of the necessity for prompt work in burnt areas, and this, in view of a probably restricted demand at home and abroad, seems unfortunate.

Apart from manufacturing, which in the important centres in the Maritime Provinces, where it is carried on largely, has been as profitable as in Ontario and Quebec, the other results of industry have been varied. Fishing, even more important here than in British Columbia, has been unsuccessful, the catch being very small, and, notwithstanding an increased price, the result to each individual quite inadequate. On the other hand, the fruit crop is unusually large and the results most satisfactory. The area devoted to agriculture and pasture is unfortunately small. The returns have, however, been good, and we can but hope that, year by year, the Maritime Provinces will become less dependent on the other parts of Canada in this respect. The mining of gold, although not very large, is now a settled industry, increasing in volume, and a source of considerable profit. On the whole, this part of Canada shares satisfactorily in the present prosperity, and the fact is reflected in the steady growth of its bank deposits. If the credit system, which has decreased so much in Ontario, could be gradually curtailed in the Maritime Provinces, it would doubtless conduce

greatly to soundness in trade, and it would make the disappointments arising from failure in any branch of industry, such as fishing or agriculture, much easier to bear. It is to be hoped that the active railway building being done and about to be done, and the improvements to ocean ports, will not only increase the prosperity of these provinces, but bring them for all purposes of communication nearer to their Western brothers.

In Ontario the farmers have had another year of pronounced good fortune. In detail the circumstances were somewhat different from last year, but the results were similar. The crops of cereals, fruit, etc., were generally abundant and the prices satisfactory. The result in cattle was marred by a sharp drop in the price, but in the condition of the pastures, in quantity, and especially in the steady improvement in some parts in the breeding of both cattle and horses, the year was one of advancement. In hogs the farmers have made money, as in most recent years. The season has been even unusually good for the dairymen. In cheese the quantity and quality have been all that we could wish. The price has, however, fluctuated uncomfortably, owing to the varying conditions of stocks on hand in Great Britain and Canada for the particular month by which the cheese is known, and in view of the apparently larger stocks on hand and present low prices, the result to the dealer for the year is not yet quite clear. The cultivation of beets for sugar making at a price and in quantities satisfactory to both the farmer and the sugar maker is yet in an experimental stage in those districts in Ontario where an effort in this direction is being made. Labour of all kinds, in the country as well as in the towns, has been unusually hard to obtain, even at the prevailing high wages.

As an example of how farmers are paying their debts, one of our Ontario managers reports that out of 757 notes for agricultural implements held at his branch for collection in October and November only 49 remained unpaid at the close of November. The payments on mortgages continue to an

extent not entirely pleasing to the lender. Perhaps nothing shows the improvement in the conditions surrounding country life in Ontario more than the paving and general public and private improvements in many towns which depend almost entirely on the trade of the farming community.

If we judge our Eastern trade by Montreal, our largest city and chief point of distribution and as yet our most important port, we find that the business of the city and adjoining country shows sales the largest on record, with few losses from bad debts. In manufactures the increase has been quite as marked a feature as in Toronto. The customs dues largely exceed those of the previous year, while the export trade is the largest yet recorded. Montreal in exports, imports, and the payment of customs dues, is the port at which about 30 per cent. of the entire foreign trade of Canada is done. The railway and water communication of Montreal with the interior is so much shorter than that of other North American cities that we are apparently getting at last a fair share of the grain carrying trade, although it is to be hoped that we have not more than entered upon the race as yet. The Lachine Canal returns show that 6,155 vessels passed up and down during the past season as compared with 5,276 the previous year. The increase in the freight carried was still better, being over 50 per cent. We are now carrying nearly all of our own grain and a fair quantity of grain grown in the United States. The quantity of our own grain which reached the seaboard via the United States, from the head of our lake system, was the smallest on record. The abolishing of the canal tolls, the enlargement of all port facilities at Montreal and what is now being done to further increase them, the steady improvement in our railway tracks and equipment and the increase in our steel tonnage, all help to make this possible, but we must hope that the Dominion Government will continue to provide whatever money is necessary for expenditure on the St. Lawrence route until all objections, whether well founded or the result of prejudice, have been

removed. Whatever we may hope to do in moving grain grown in the United States, we should, with the knowledge that the crops in our North-West will increase enormously in the immediate future, determine to do at least what is necessary to success in carrying all Canadian grain by Canadian railways and lake routes to a Canadian port, and thence to Europe in Canadian vessels. We were very proud a few years ago to be able to state that the foreign trade of Canada had reached a million dollars a day. For 1902 the imports were 203 millions and the exports 212 millions. For 1903 the imports were 234 millions and the exports 226 millions. This brings our foreign trade up to 460 millions, a handsome total for  $5\frac{1}{2}$  millions of people. There is, however, the ominous fact for a borrowing people, that we have dropped from the position of an excess in exports, held for so many years, to one of excessive imports. It is to be hoped that the check administered to speculation and extravagance may soon correct this feature. If, however, we indulge in railroad building to a very great extent and do not make our rails and other supplies at home, we cannot expect to keep down our imports.

#### MANITOBA AND THE NORTH-WEST TERRITORIES.

Turning now to our great grain and cattle areas, while the year has been very complicated and not easy to sum up accurately, and clearly less satisfactory than the unbounded prosperity of 1902, we have still only progress to report.

In 1902 the average in Manitoba per acre of all grains was 26 bushels, a most generous outcome for that country. This year, the average is only 16.42 bushels per acre, and the grain, owing to the great storm and other climatic features, is less good in quality in many parts. Many localities, however, produced quite as much per acre as last year. When the production of the Territories is added and the additional acreage and the better price taken into the account, the total money result is not very different from last year, although divided among a larger number of people.

Our comparison of the two years, combining the figures for Manitoba and the Territories, is as follows :—

	1902.	1903.
Wheat, bushels.....	64,000,000	50,000,000
Oats " .....	50,000,000	40,000,000
Barley " .....	13,000,000	11,000,000
Flax " .....	618,000	580,000

and we estimate that after allowance is made for the country mills and for seed wheat, there is about 36,000,000 bushels of wheat for marketing. Our estimates of last year were exceeded by about 10,000,000 bushels. This year they have been made as usual, independent of Government reports. Our figures for Manitoba when compared with the since published estimate of the Department of Agriculture are practically the same.

Notwithstanding this large falling off and what we shall have to say of the cattle trade, the whole country from Winnipeg to the foothills has prospered in almost every species of trade and industry. Our Winnipeg manager, in considering the present position of the Western farmer, says:—

“He has within the past two or three years improved his position by going into mixed farming. The cattle, horses, hogs, sheep and all classes of animals so necessary to the Eastern farmer have increased very rapidly in numbers on Western farms, and as regards grade and breeding compare equally with any part of Canada, so that the Western farmer is not now so dependent upon a big grain crop as formerly, or as the majority of Eastern Canadian people suppose. He has also been somewhat cured of the craze for more land, and is directing his attention more to improving what he already holds, in the way of better buildings for his live stock and more home comforts for himself and family.”

Nothing perhaps shows more significantly the growth of this part of Canada than the land sales, and the development of the chief city, Winnipeg. The actual number of acres



sold is less than last year, but whereas last year large blocks changed hands with little relative settlement thereon, this year the sales are mainly for actual settlement, while the prices obtained are 15 to 20 per cent. higher. Of course what we want is settlement, not speculation in wild land. The new settlers who came into the North-West in 1902 numbered 72,800. This year, estimating December, the total reaches 118,000. Winnipeg as a distributing centre grows rapidly, building exceeds even what seems prudent, electric power, an inestimable boon to a prairie city, has been secured, and while signs of manufacturing are not large still effort in this direction is being made.

In Calgary, Edmonton, Medicine Hat, and in the many smaller towns of Alberta there is a great deal of activity in building, and indeed steady improvement in this respect is the rule throughout all of Manitoba and the Territories. The cattle trade, however, on which in the ranching districts so much depends, has been affected by the sharp fall in prices and by other factors which had not to be considered a year ago. A very severe storm caused a considerable loss in young animals and a greater rainfall than usual prevented the grass from becoming properly ripened, resulting in the cattle being less firm and less fat than they should be. Freight facilities have been insufficient and freight charges too high under the circumstances. In consequence many ranchers have not sold freely and there may be an over-supply later which may affect profits unfavourably for a year or so. The year has also been a bad one for the shippers who have lost heavily. Some idea of the growing importance of our cattle trade will be gathered from the fact that in 1877 our shipments from Montreal were 6,940 head, while in 1903 there were shipped 147,216 head. In some of the dry districts ambitious efforts at irrigation are being put forth and having regard to what has been accomplished in the United States, we shall look with keen interest for the outcome of these ventures.

## BRITISH COLUMBIA.

In British Columbia the most noticeable feature has been the rapid development of the lumber industry. The demand from the Territories as well as elsewhere has been unprecedented, and a trade, which a few years ago was small in proportions and most unsatisfactory as to profits, has now reached figures which almost create the feeling that there may be an over-production. The mills, except on the coast, are as a rule small, and to some extent the geographical conditions may not enable this condition to be changed readily, and yet a period of depression with a narrower profit would surely threaten the existence of many of the present ventures. Licenses to limit holders are being secured for large areas, and at a considerably increased fee per square mile, and there promises to be great activity and consequently great competition in this class of business.

In coal mining there has been *great prosperity, despite* the curtailing of the possible output by strikes in some of the collieries. In the Crow's Nest collieries the output has nearly doubled during the past year. On Vancouver Island there would have been a handsome increase but for the labour troubles, which practically lost to the mines some foreign trade which for the time being had to go elsewhere.

In copper-gold mining there is a quiet but steady progress, the actual mining and smelting on a paying basis in the Boundary district being larger than at any previous time. Although not yet free from contingencies, such as the failure of coke supply, this kind of mining seems to be established as one of our manufacturing industries in which a handsome return on large investments of capital is assured, provided the skill in management is adequate.

In silver-lead mining, notwithstanding the richness of our mines and some increase in the price of silver and lead, there has not as yet been a substantial recovery from the depression caused by the attitude in 1901 of the Smelter trust in the United States, and the tariff of that country, regarding lead,

and by the low prices in the markets of the world then ruling for both silver and lead. However, better results are expected next year.

The past year has been one of the most unsatisfactory on record in salmon canning. The quantity packed in British Columbia was only 473,547 cases, against 625,982 for the lean year of 1902 and 1,236,156 for the bumper year of 1901. In the regular course of things it would have been a lean year, but this has been aggravated by the numerous fish traps on Puget Sound and by the Quesnelle River dam, which some think cuts off one-quarter of the best spawning grounds of British Columbia. We have before urged the importance of having expert knowledge in these matters. If the salmon fishing on the Fraser River can be removed from politics and treated fairly as a national industry, it should be for all time to come a great source of wealth. The pack being also small in the United States, prices have risen and old stocks will thus be cleaned out, leaving an excellent trade position for the next catch. There are great possibilities in other kinds of fishing on the Pacific coast, and it is a pity that public interest in our fisheries cannot be aroused and some national sense created of our great wealth in this respect.

Agriculture and fruit growing in British Columbia are increasing, but not as rapidly as should be the case in this wonderfully productive soil. In the city of Vancouver the increase in population and in building is as pronounced as in other large Canadian cities. As a port of entry its growth may be illustrated by a few figures. In 1888 the revenue collected was \$63,016; in 1898, \$667,842; and in 1903, \$1,388,595.

Now that the finances of the Province have been put upon a sound basis, and the speculative features of mining have passed away, we can but hope for a cessation of labour troubles, and that we may see a growing desire on the part of the politicians to work together for the Province, in order that

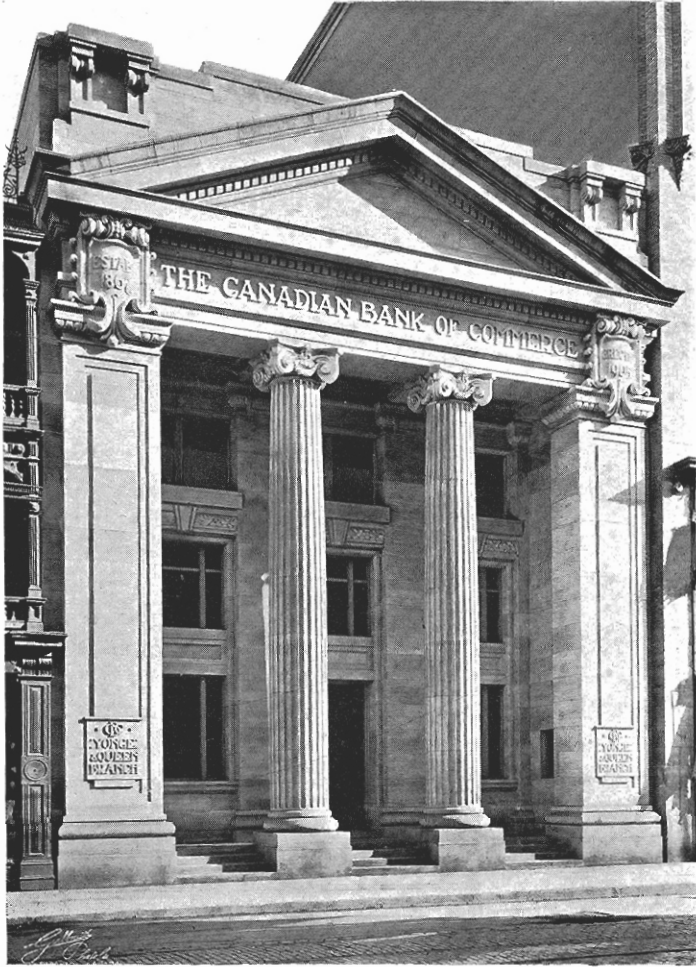
this great section of Canada may have its fair chance. In any event it would be well for the rest of Canada to realize what an undertaking it is for such a small body of people as British Columbia at present contains to carry on the affairs and build the improvements for such an enormous area of country, the major part of which is practically not even sparsely settled.

#### YUKON TERRITORY.

In the Yukon Territory we have only to record another year of prosperity. Lack of water during a month or so caused the quantity of gold mined to be a little less than the estimate made in mid-summer, but the total reached in value between 12 and 12½ million dollars. Such additions to our wealth are very gratifying, and the arrival of this gold is still important enough to attract the attention of Wall Street in times of activity in the money market. Canada now provides the bulk of the supplies for the Yukon Territory, and had we been so fortunate in the decision on the Alaska boundary as to secure a port on the Lynn inlet, this route would doubtless have been an important permanent avenue for this large trade. We will now have to consider *other quite feasible* but very different routes, involving, however, the expenditure of a large amount of money which we might have saved without any loss whatever to the United States.

#### UNITED STATES.

In the three Pacific Coast States in which we are interested there has been another year of prosperity, but we think we are not wrong in saying that there is somewhat less confidence as to the immediate future than existed a year ago. There have been large failures in salmon canning and in the grain trade, although doubtless not caused by natural contingencies in the trade itself, some over-building in the cities, a decline in the profits and values in shipping, and some check to production from increased cost of labour. In the lumber business there has been great expansion for a few years and there is now a slight check and a distinct sense



TORONTO, ONT.  
Yonge and Queen Branch



of over-production. The wheat crop is less in quantity than last year, and although the salmon catch south of Puget Sound was excellent, in the northern State the results were as bad as with us. On the other hand, these less satisfactory conditions do not exist throughout the whole of the three States, and in some localities the feeling of prosperity, rightly or wrongly, is not at all abated. The northern shipping trade done at Seattle is still very large, and in many parts of Alaska there are most important interests being developed. The gold received at that port from the Yukon and Alaska combined was not far short of \$15,000,000, and both directly and indirectly this is a great source of prosperity to Seattle. On the whole, while entirely satisfactory conditions have not been quite so universal as in the previous year the people of these States have added another year of good results to a long period of prosperity.

#### GENERAL REMARKS.

Looking ahead, while we see no reason to apprehend serious trouble, it is clear that we must await the recovery of the money market, the absorption of the mass of recently created securities and the return of stability in the labour market, before enterprises of the more ambitious character should be encouraged. In the United States there is also the doubt attending the next Presidential election which always acts as a drag on enterprise, and we regret that once more we have to record a year in which no practical steps have been taken towards the reform of the currency and banking systems.

In Canada most of these deterrent causes are also present. We have, it is true, the advantage of a small population with a great area of new land and of raw material for enterprise to work upon, as opposed to a vast population and little land or raw material not now so owned as to be past the possibilities of the man without much capital. We have in our great problem of transportation a steadily widening horizon in which, as the people understand the wants of our

country more, the prospects of the end approaching grow less. To whatever extent the plans at present before the country may in the near future be accomplished, this much is clear ; we cannot halt, and we need not expect that any of us will live to see the end of railroad building on a large scale in Canada, as one by one the great districts in which settlement is possible come into nearer view. During the year one of the most pleasant elements in transportation, namely, the reduction of rates, has been a prominent business feature throughout the North-West.

In conclusion let me say, that I have often contended that, whatever the aggregate wealth of the Canadian people might be, I was sure that as individuals we were quite as wealthy as, if not wealthier than the citizens of the United States. The Western United States farmer begins to realize something akin to this, and it is also pleasant to notice that so eminent an authority as Sir Robert Giffen confirms this view.

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

It was then moved by Mr. John A. Bruce, seconded by Mr. Frederick Wyld :—

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.

In moving the resolution Mr. Bruce said :—I need not add anything to this ; I think the reports you have heard will convince you that the Directors have given the very best attention to the interests of the Bank, and that our interests are perfectly safe in their hands.

Mr. Wyld.—It is a very high compliment to any gentleman to occupy the position of President of such a Bank as this, or to be the Vice-President of it, or a Director of this institution. At the same time I think we cannot consider it altogether a bed of roses for these gentlemen after you have heard the statement that Mr. Walker has been able to give



us to-day, and when you consider the fact of their having to advise in all these important and large transactions that continue to take place. That they have given it their close and best attention I think is beyond question. I have very great pleasure, indeed, in seconding the resolution.

Mr. Hy. Beatty.—I would beg to move, and have very great pleasure in doing so :—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 twelve months.

Mr. F. J. D. Smith.—It gives me much pleasure, Mr. President, to second that resolution. The very satisfactory Report that has been presented is, I think, largely due to the Executive of the Bank. The Directors may plan, but they stand almost in the position of the general and staff of an army. If the army does not carry out the plan skilfully and successfully all the good plans are wasted. We really owe then to the General Manager, the Assistant General Manager, and all the officers of the Bank, the success of this past year. I can only say that we all have to judge by what we know, and I fancy that it has been the experience of others. I know it has been mine, that in all the intercourse I have had with the officers, from the General Manager downwards, it has been a pleasure to me to meet them. I have much pleasure in seconding the resolution.

Mr. Cox.—It always gives me very great pleasure to submit this resolution to the Shareholders, because no person knows better than myself how well it is deserved.

Mr. Walker.—Gentlemen, I think this is the seventeenth time that I have risen to respond to this resolution. I have often remarked regarding a certain perfunctoriness connected with it, but I have always tried to insist—not for myself, or for the leading officers of the staff, but for the younger members—that it is a very suitable expression on the part of the Shareholders of their satisfaction, if they feel that satisfac-

tion. Mr. Laird will, I hope, have something to say on this resolution; therefore I shall not say many words. We had, a year ago, what we thought was a large staff, 657 men. We have added to it by taking over the Halifax Banking Company, 70 men, and have otherwise increased the staff during the year by 87, thus bringing us now to a staff of 814. I am sure that I can say of this army that, in readiness to face new conditions, to give up comfort in order to assume new responsibilities, in fertility of resource and cheerfulness of purpose, no better staff could exist.

Mr. Laird.—In responding to the flattering remarks occasioned by your resolution, I might be permitted to say that the past year has given me the opportunity to make the acquaintance of many of the officers and clerks in the service, and it affords me pleasure to testify to the zeal and intelligence characterising their labours in the service of the Bank. With the acquisition of the Bank of British Columbia and the Halifax Banking Company, our difficulties in considering the rights of such a large force have been increased, but our aim has been to create an impression of our earnest desire to deal justly and generously with the members of our extensive household. We should like to assure the humblest clerk, and every officer in our Bank, that there is no likelihood of any claim to promotion being overlooked. There may be delay in promptly recognising merit, but only on account of the difficulty of adjusting salaries and positions when it becomes necessary to carry out some well-considered plan for the benefit of the whole service. We are thoroughly convinced that we have exceptionally loyal assistants, faithful in the discharge of peculiarly responsible duties, and the resolution now submitted will be regarded as a generous acknowledgment of their worth. I thank you sincerely for the kind manner in which you have received this resolution and the remarks that have been made by my associate, Mr. Walker. It has been an inspiration to me, as I am sure it has been to all in the Executive, the kindly manner in which he has

received our suggestions made from time to time, and the benefit that we have derived from his wider experience in the management of great affairs.

Moved by Dr. Hoskin, seconded by A. Kingman, Esq.—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 as Directors for the ensuing year:—Hon. Geo. A. Cox, Robert Kilgour, W. B. Hamilton, M. Leggat, James Crathern, John Hoskin, K.C., LL.D., J. W. Flavelle, A. Kingman, Hon. L. Melvin Jones, Frederic Nicholls.

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

