

# THE CANADIAN BANK OF COMMERCE

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

HEAD OFFICE - TORONTO, ONTARIO

CAPITAL PAID-UP - - - - - \$8,700,000  
REST - - - - - \$3,500,000

*DIRECTORS:*

HON. GEO. 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.

*LONDON, ENGLAND, BOARD:*

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

*HALIFAX BOARD:*

H. N. WALLACE, ESQ., - - - - - Chairman.  
C. W. ANDERSON, ESQ. W. J. G. THOMSON, ESQ.  
JOHN McNAB, ESQ. W. N. WICKWIRE, ESQ.

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

*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.

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.....	J. L. BUCHAN.....	“
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.....	“
CLARESHOLM.....	W. G. LYNCH.....	Act. Mgr.
DAUPHIN.....	J. S. MUNRO.....	Manager.
DAWSON.....	D. A. CAMERON.....	“
EDMONTON.....	T. M. TURNBULL.....	“
ELGIN.....	D. H. DOWNIE.....	“
ELKHORN.....	E. M. SAUNDERS.....	“
GILBERT PLAINS.....	G. C. T. PEMBERTON ..	“
GRAND VIEW.....	G. C. T. PEMBERTON ..	“
INNISFAIL.....	H. M. STEWART.....	“
LLOYDMINSTER.....		“
MEDICINE HAT.....	F. L. CRAWFORD.....	“
MOOSEJAW.....	R. A. RUMSEY.....	“
MOOSOMIN.....	E. M. SAUNDERS.....	“
NANTON.....	W. G. LYNCH.....	Act. Mgr.
NEEPAWA.....	G. M. GIBBS.....	Manager.
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. ROSS STREET...		

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. FITON .....	"
CAYUGA .....	J. L. BARNUM .....	"
CHATHAM .....	J. E. THOMAS .....	"
COLLINGWOOD .....	JAS. BRYDON .....	"
DRESDEN .....	J. MCÈ. 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. ....	A. H. CREASE .....	"
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 . . . . .	I. JEMMETT . . . . .	"
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 . . . . .		"
SACKVILLE . . . . .	W. H. HARRISON . . . . .	"
ST. JOHN . . . . .	J. G. TAYLOR . . . . .	"
SHELBURNE . . . . .	T. W. MAGEE . . . . .	"
SPRINGHILL . . . . .	E. B. FAIRBANKS . . . . .	"
SYDNEY . . . . .	P. C. STEVENSON . . . . .	"
TRURO . . . . .	J. MOORMAN . . . . .	"
WINDSOR . . . . .	J. A. RUSSELL . . . . .	"

### UNITED STATES—

NEW YORK . . . . .	<table style="border: none;"> <tr> <td style="font-size: 2em; vertical-align: middle;">{</td> <td style="padding: 0 5px;">WM. GRAY . . . . .</td> <td rowspan="2" style="font-size: 2em; vertical-align: middle;">}</td> <td rowspan="2" style="padding-left: 10px;">Agents.</td> </tr> <tr> <td style="padding: 0 5px;">H. B. WALKER . . . . .</td> </tr> </table>	{	WM. GRAY . . . . .	}	Agents.	H. B. WALKER . . . . .	
{	WM. GRAY . . . . .	}	Agents.				
H. B. WALKER . . . . .							
PORTLAND, ORE. . . . .	E. A. WYLD . . . . .	Manager.					
SAN FRANCISCO . . . . .	<table style="border: none;"> <tr> <td style="font-size: 2em; vertical-align: middle;">{</td> <td style="padding: 0 5px;">ARCH. KAINS . . . . .</td> <td rowspan="2" style="font-size: 2em; vertical-align: middle;">}</td> <td rowspan="2" style="padding-left: 10px;">Asst. Mgr.</td> </tr> <tr> <td style="padding: 0 5px;">G. W. B. HEATHCOTE . . . . .</td> </tr> </table>	{	ARCH. KAINS . . . . .	}	Asst. Mgr.	G. W. B. HEATHCOTE . . . . .	"
{	ARCH. KAINS . . . . .	}	Asst. Mgr.				
G. W. B. HEATHCOTE . . . . .							
SEATTLE . . . . .	G. V. HOLT . . . . .	Manager					
SKAGWAY . . . . .	H. M. LAY . . . . .	"					

### GREAT BRITAIN—

<b>LONDON</b> , 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.

### 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 Columbia National Bank; CHICAGO—The First National Bank, The Northern Trust Company; CLEVELAND—The Euclid-Park National Bank; DETROIT—The People's Savings Bank, The Commercial National Bank; MINNEAPOLIS—The North-Western National Bank; NEW ORLEANS—The Commercial National Bank; PITTSBURG—The Mellon National Bank; SPOKANE—The Exchange National Bank; TACOMA—The London and San Francisco Bank, Limited.

### 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 and 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, 1904.

## LIABILITIES

Notes of the Bank in circulation.....	\$ 7,680,947	68
Deposits not bearing interest.....	\$18,003,420	09
Deposits bearing interest, including interest accrued to date .....	52,455,931	37
		70,459,351 46
Balances due to other Banks in Canada .....	138,758	50
Balances due to other Banks in foreign countries.....	242,631	86
Dividends unpaid.....	882	42
Dividend No. 75, payable 1st December .....	304,500	00
Capital paid up.....	\$8,700,000	00
Rest.....	3,500,000	00
Balance of Profit and Loss Account carried forward .....	28,726	39
		12,228,726 39
		\$91,055,798 31

## ASSETS

Coin and Bullion .....	\$2,800,326	19
Dominion Notes .....	5,301,692	00
		\$ 8,102,018 19
Deposit with Dominion Government for security of Note circulation.....	400,000	00
Notes of and Cheques on other Banks.....	3,635,085	29
Balances due by other Banks in Canada .....	10,692	50
Balances due by Agents in Great Britain .....	5,894,865	42
Balances due by Agents of the Bank and other Banks in foreign countries.....	2,103,565	34
Government Bonds, Municipal and other Securities .....	7,313,648	34
Call and Short Loans.....	10,460,092	59
		\$37,919,967 67
Other Current Loans and Discounts.....	51,458,163	16
Overdue Debts (loss fully provided for) .....	305,293	38
Real Estate (other than Bank Premises) .....	63,237	15
Mortgages.....	220,626	86
Bank Premises.....	1,000,000	00
Other Assets.....	88,510	09
		\$91,055,798 31

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, 10TH JANUARY, 1905.

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The thirty-eighth Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking-house on Tuesday, 10th January, 1905, at 12 o'clock.

Among those present were:—William Cook, Carrville; Thomas Gilmour, J. L. Blaikie, Rev. Wesley Casson, Robert Kilgour, Hon. Geo. A. Cox, P. Freyseng, Wm. B. Hamilton, W. Cooke, Lt.-Col. Mason, J. W. Flavelle, C. S. Gzowski, W. Prendergast, H. D. Warren, John Hoskin, K.C., LL.D., William Glenney, Oshawa; J. Short McMaster, Hon. L. Melvin Jones, A. W. Anglin, R. Cassels, R. Harmer, A. Kingman, Montreal; J. O. Thorne, W. W. Tamblyn, Bowmanville; John Catto, A. V. Delaporte, Robert Gill, Ottawa; E. P. Gower, Berlin; John Pugsley, F. J. D. Smith, Newtonbrook; H. H. Morris, Vancouver; Charles B. Powell, E. Cowdry, Simcoe; J. O'N. Ireland, Mrs. F. J. D. Smith, Newtonbrook; L. H. Dampier, Strathroy; William Davies, James Hedley, N. Silverthorn, Summerville; Thomas Walmsley, H. N. Wallace, Halifax; Cawthra Mulock, E. Cronyn, Wm. Garside, Chas. Bonnick, W. H. Mason, E. W. Cox, John Taylor, J. L. Watt, W. T. White, Thomas West, Alex.

Bruce, Hamilton ; Henry Beatty, W. Harland Smith, John A. Bruce, Hamilton ; R. Mulholland, Frank Everist, Rev. Armstrong Black, D.D., J. L. Watt, W. T. Boyd, Hon. Mr. Justice Maclaren, J. K. Macdonald, E. R. Wood, T. A. Staunton, G. A. Morrow, W. H. Lockhart Gordon, George F. Little, L. J. Cosgrave, F. C. Malpas, Cranbrook ; Guy R. Warwick, William Craig, Henry Johnson, Hastings ; S. R. Wickett, H. P. Dwight, William Ross, John A. Morton, F. H. Mathewson, Montreal ; Miss H. E. Robinson, Barrie ; Rev. Dr. Warden, Lt.-Col. H. M. Pellatt, John A. Walker, S. J. Moore, G. W. McKee, Woodstock ; Richard Brown, J. T. Parker, C. M. Gripton, St. Catharines ; George J. Foy, William Gray, New York ; John Carrick, John Northway, F. Wyld, H. C. Hammond, R. G. W. Conolly, St. Catharines ; Dr. Andrew Smith, A. W. Smith, D. Macgillivray, Windsor ; D. Hughes Charles, Peterboro ; R. H. Temple, Geo. Wallace, John Aird, Winnipeg.

The President, Hon. George A. Cox, having taken the chair, Mr. F. G. Jemmett was appointed to act as Secretary, and Messrs. R. H. Temple 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-eighth Annual Report covering the year ending 30th November, 1904, together with the usual Statement of Assets and Liabilities :—

The balance at credit of Profit and Loss Account, brought forward from last year, was..	\$ 165,559 14
Net profits for the year ending 30th November, after providing for all bad and doubtful debts, amounted to .....	1,124,973 66
	<u>\$1,290,532 80</u>



Which has been appropriated as follows :—

Dividends Nos. 74 and 75, at seven per cent. per annum .....	\$ 609,000 00
Written off Bank Premises.....	127,806 41
Transferred to Pension Fund (annual contribu- tion) .....	25,000 00
Transferred to Rest Account.....	500,000 00
Balance carried forward.....	28,726 39
	<u>\$1,290,532 80</u>

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

The earnings for the past year have been even more satisfactory than usual, and after writing off for Bank Premises \$127,806.41, and making a contribution to the Pension Fund of \$25,000, we have been able to add \$500,000 to the Rest.

During the year the Bank has opened new branches as follows :—In the City of Winnipeg, a branch on Ross Avenue and another on Portage Avenue ; in the North-West Territories, at Lloydminster in Saskatchewan, Moosejaw in Assiniboia and Nanton in Alberta. Since the close of the Bank's year a branch has been opened at Claresholm in Alberta, and arrangements have been made to open in the near future at Melfort in Saskatchewan.

Your Directors have concluded that the time has come when the balance of the unissued stock necessary to bring the paid-up capital of the Bank to the authorized amount, namely, \$10,000,000, should be issued, and a circular intimating this intention has recently been directed to the Shareholders.

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, 10th January, 1905.

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

PRESIDENT'S ADDRESS.

Your Directors are pleased to be able again to meet the Shareholders with a Statement exhibiting continued prosperity on the part of the Bank. The profits are larger even than those of either 1902 or 1903, being \$1,124,973, or nearly 13 per cent. on the capital. It is to be remembered, however, that in 1903 there had been a fall in the market prices of all high-class securities, which affected our profits for that year, while in 1904 there was a rise in bond values, and as we have sold a good many securities the profits for 1904 have to some extent gained at the expense of 1903.

We are still building bank premises on an extensive scale. Not only do the branches which are being established in the newer parts of Canada make heavy demands upon us, but in the older parts, in towns where ten or twenty years ago we would, for various reasons, not have felt warranted in owning our own premises, we now find it wise to erect buildings and to differentiate them in architecture as much as possible from other business structures. Apart from the pressure of these demands we believe that in years of prosperity it is wise to turn back into the business in this shape some of the profits made, rather than to add them to the Rest or to the dividends and to starve the Bank in the matter of buildings.

The Pension Fund of the Bank is now about ten years old, and as was contemplated at its inception, we have had it actuarially examined. The examination, as we expected, makes it evident that the amount to be contributed by the Bank must increase as the number of officers who contribute to the Fund increases, and we shall ask the Shareholders to approve of a present increase in the annual payment from \$15,000 to \$25,000, with power to add to this in future, if increases in the staff render this necessary.

Notwithstanding these heavy charges we have been able to add to the Rest the sum of \$500,000.



TORONTO JUNCTION, ONT.



Our deposits have increased during the year by \$7,675,000, bringing the total up to \$70,000,000, and the funds at our disposal up to \$91,000,000. It will be observed, however, that less than a million dollars of these additional resources have gone into our ordinary current loans and discounts, showing that the demands of our merchants and manufacturers are not increasing as rapidly as in other recent years. Most of the increase in funds at our disposal is represented by call loans, by increased balances at the disposal of our London and United States agencies, by securities and by cash.

We have opened during the year five new branches.

Your Directors have, as you know, passed the resolution under which the balance of the increased capital stock authorized by you last year, viz., \$1,300,000, is to be issued to the Shareholders. This will make the paid-up capital \$10,000,000, and the premium on the new shares will be sufficient to bring the Rest up to \$4,000,000. The shares are being issued at 140, our freedom of action in this respect being limited by the Bank Act, which fixes a maximum price dependent upon the proportion of the present Rest to the present paid-up capital. It may seem strange that in a year when the demand from our ordinary borrowing customers is less than usual we should conclude to issue the balance of our stock, but, in the first place, our power of circulating notes is being used as closely as is practicable in such a large bank, and, in the second, we believe that the demands in the West, and in the East growing out of the development of the West, will be large enough in the early future amply to justify such a capital.

#### VICE-PRESIDENT'S REMARKS.

Mr. Robert Kilgour.—In seconding the adoption of the Report, I would call attention to the position of the Bank in comparison with the Statement published in 1894, ten years and six months ago.

The capital at that time was \$6,000,000, and the Rest \$1,200,000. With the additional capital now being subscribed,

it will be \$10,000,000, and the Rest \$4,000,000, making the capital and the Rest almost double what they were in 1894.

The assets at that time were \$28,182,000. At present they are \$91,055,798. We had at that time 43 branches, we now have 112. In 1894 the branches were all in Ontario—with the exception of those in New York, Winnipeg and Montreal. At present they reach from the Atlantic to the Pacific Coast, and we are now doing the leading business on the Coast.

The staff in 1894 was 385, at present it is 840. The funds now controlled by the Bank are over three times as large as they then were, and the branches almost three times as many, while the staff is over double the number it was at that time. These facts of themselves indicate the necessity for the increased capital of the Bank.

For this most gratifying increase in assets and business, the Shareholders are indebted not alone to the splendid services of the President, General Manager and Assistant General Manager, but also to the loyalty and most efficient work of the staff.

The General Manager then spoke as follows :—

#### ADDRESS OF THE GENERAL MANAGER.

The year began with the feeling that our prosperity had for the moment reached its maximum, and had been checked in some respects ; and that while prosperity would doubtless continue, it might do so only on a somewhat lessened scale. At the end of the year, although many unfavourable features which could not have been foretold have appeared, we are more confident as to the immediate future than we were a year ago.

#### CONDITIONS IN GREAT BRITAIN AND THE UNITED STATES.

In Great Britain the conviction was growing that at last the cost of the South African war had been borne, so far as its strain on the London money market was concerned, and

that reasonably soon the effect of Chinese labour in the Rand mines would cause the return to London of that stream of gold which reached it before the war. These we now see were sound views, but the money-market early in the year was called upon to bear a new strain in the war between Russia and Japan. It is true that public opinion soon realized that Great Britain would probably not be drawn into the war, but the London bankers knew that Russia and Japan must obtain in some market a large part of its cost, whether in money or supplies, and as unusual amounts of foreign money have of late years been used in London because of the high rates, wherever Russia or Japan might borrow, London was likely to feel the effect. Money rates have therefore remained comparatively high, and each short period of ease has made plain the fact that there is no lack of securities awaiting a favourable moment for flotation. Naturally the investor has become unusually exacting, and British municipalities which have been freely mortgaging the future to buy franchises, and Colonial and other governments desirous of making ambitious public improvements, are discovering great difficulty in obtaining money. By comparison, this has had the effect of improving the credit of Canada for securities of a high class, but the price, owing to the higher interest expectation in London, is often less than the investors on this side are willing to pay.

In the United States, while at the beginning of the year there was scarcely a cloud upon the prosperity of the West, the East had been sharply punished in Wall Street, many speculative industrial bubbles had burst, many legitimate industries had experienced a falling off in orders, labour troubles presented a serious menace, and a Presidential election was close at hand. The business and political developments of the year in the United States, however, have been mainly of a character aiding recuperation, so that the present outlook is much clearer and better than a year ago. The stoppage of speculation caused money

to accumulate rapidly, rates for call money falling at moments below one per cent. per annum. A great demand arose, the best in many years, for the best classes of bonds ; the railroads, which in 1903 desired to make improvements on an unusually large scale, or had done so and owed the money in short-timed obligations, now found their financial course made much easier ; large orders for steel, iron and other railroad supplies followed ; crop conditions, especially in cotton and corn, were most favourable ; labour troubles lessened ; and the much dreaded Presidential election proved the tamest struggle for many years. One of the main reasons for the quiet Presidential election was the fact that both aspirants represented sound money. Indeed, it seems as if free-silver and all unsound currency views are at an end for the time, doubtless for an indefinite time, in the United States ; and owing to her possessions and growing trade in the Asiatic East, the United States is becoming interested in the great question of unifying the currencies of China, and in the efforts of Mexico, a country by which so much of the silver used in the East is provided, to get upon a stable currency basis. This tendency throughout the world toward sound money is very gratifying, and it is to be hoped that the debts arising from the present war may not be too strong an influence in the other direction.

The great facts in transportation in the United States are the payment for and the preliminary steps towards the building of the Panama Canal and the beginning, on an important scale, of the electrifying of steam railroads. It is scarcely possible to measure what the Canal will accomplish for Oregon, California and the Hawaiian Islands, in the trade movements of which this Bank will doubtless continue to be largely interested.

#### CONDITIONS IN CANADA.

Turning now to Canada, it may be well, before dealing more or less in detail with the various parts of the country, to refer to a few broader features. The check to speculation and



to new enterprises would doubtless have made money much easier early in the year but for the changed position of our foreign trade. The ease in money in the United States has created a market for the best class of our securities, and many millions of bonds which otherwise might have had to await an improvement of conditions in England have lately been sold in the United States. In addition to this, large sales of Canadian securities have been made to international banking houses who have the command of all European money centres as well as of New York. Not only are these facts of great significance to the general credit of Canada, but they are a sufficient warrant of our ability to press with unusual vigour the many important enterprises in transportation now being or about to be carried on. Our outlook was never before so large in scope or so hopeful; nevertheless there are many minor features which are not in themselves favourable to rapid progress, and the effect of these may be partially seen in our exports and imports. It is not necessary to tell you that the amounts of the imports and exports of a country are not in themselves evidences of the presence or absence of prosperity. If this country, for many years to come, were to import more than it exports, the debts created to pay the balance might represent very wise investments. And where there is a large volume of capital, sometimes in the shape of money and sometimes of machinery or merchandise, coming into a country to represent investments by settlers or by foreign capitalists, it is not possible to state the real position with even reasonable accuracy. But to the extent that a decline in exports represents a real decline in purchasing power, and that an increase in imports represents an expansion in the scale of living, our foreign trade figures are very significant indeed. In the five years from 1890 to 1894, inclusive, years mostly of expansion, the excess of imports was \$76,500,000. In the next five years—1895 to 1899, inclusive—three of which were years of close economy, the excess of exports was \$44,500,000, the last year showing a slight excess of imports. In the five

years from 1900 to 1904, inclusive, all fiscal years ending in mid-summer, the excess of imports was \$53,300,000, the first two years showing a small excess in exports. Of this \$53,300,000, however, \$45,600,000 is for 1904 alone, and it was apparently only by the concurrence of unusually large imports and unusually small exports that such a wide difference was possible. The difference of \$45,600,000 was a little more than \$30,000,000 more than for 1903, and this was caused by an increase in imports of nearly \$18,000,000 and a decrease in exports of over \$12,000,000.

There was a loss in exports of wheat of about \$10,000,000 ; in dairy products and eggs of \$3,000,000 ; and in cattle, bacon and other products, after some individual increases, the net decrease is about another \$3,000,000 ; in fisheries \$1,000,000 ; in lumber and kindred products \$3,000,000. It is true these were partially offset by large gains in the net results from the products of mining, and by gains in many minor classes of agricultural products, but even after having regard to a largely increased consumption at home, there was clearly a serious loss of purchasing power as compared with the previous years. And, except in the very important article of wheat, the year 1905, ending at midsummer, is likely to be a repetition of 1904.

One might have expected to see this loss of purchasing power reflected in the imports, but we cannot trace it there. Of the \$18,000,000 of increase in imports almost \$5,000,000 is for coal, and while some of this may represent increase of business, much is doubtless part of the permanent loss arising from the unusual winter. Under about thirty headings, of which twenty-five are manufactured goods, we find large increases. Of these one of the most regrettable is nearly \$2,000,000 for lumber, because of conditions in the United States referred to later. The decreases are represented by about twenty headings. Of these, eight, representing \$2,500,000, are for products of iron and steel and for agricultural implements, the reason for the decrease being both gratifying and obvious. Seven other headings represent raw material or food stuffs.

The subject of reciprocal trade relations with Canada is now being discussed in the United States more widely than at any recent time. The Chamberlain proposals which, if put into action, seem to involve further preferences by Canada to Great Britain, are used freely as a reason against further delay. Many special and mainly selfish reasons are being urged, such as those advanced by the United States millers who, to save their grades, require our wheat, and would in any event like to be the manufacturers into flour of our raw material, wheat; while a few journals state plainly the disagreeable truth that several decades of unfairness to Canada are not a good basis for a treaty, now that the smaller country has markets for its products and desires to manufacture most of the articles which it now imports from the United States. Unusual emphasis is given to the sudden desire for reciprocity by the regulations we have been forced to make to prevent the dumping into this country, to the ruin of our own manufacturers, of goods sold here at prices much lower than in the country of manufacture.

A few figures will illustrate the peculiarities of our relations with Great Britain and the United States. In the five years from 1900 to 1904, inclusive, we bought from Great Britain merchandise to the value of \$259,000,000, and we sold to her \$579,000,000. We bought from the United States in the same period merchandise to the value of \$667,000,000, and we sold them \$357,000,000. We therefore practically drew bills of exchange on Great Britain for \$320,000,000 and paid \$310,000,000 of it to the United States.

Now this is a very pleasant state of affairs for the United States, and if it were likely to be permanent, reciprocity treaties might not be heard of. But it is so palpably unfair that we shall, of course, bear it only while we must. While it lasts we shall try hard to overcome such a one-sided state of affairs by making as far as possible at home everything that is now bought from them, and by diverting to our better customer, Great Britain, by preference or otherwise, all the trade we

can. If, however, as seems probable, there is growing up in the United States a sentiment in favour of fairer dealing with us, this great disparity in figures may be lessened. Fair dealing, especially having regard to the permanent relations of the United States and Canada, suggests that we be allowed to pay as largely as possible for what we buy with what we have to sell, and if this were so the United States would take our coal, lumber, fish, cattle and cereals free of duty. This would make the trade between the two countries reciprocal. But is this what our friends in the United States are striving for? It does not seem to us that any other kind of reciprocity would be of interest to Canada.

We may now devote some attention to the affairs of the various parts of Canada.

#### THE MARITIME PROVINCES.

In the Maritime Provinces the results either in yield or in price, from the farm, the fisheries and the forest, were in almost all parts more or less unsatisfactory. We have not in many years had a record of disappointment so unvaried in these branches of industry. Farmers in these provinces are better off only in a few localities, and while there are but few relatively who have had to break into the savings of the past, the majority have had a year with no material advancement. The very extraordinary winter left its mark in many ways. The important article of hay did not yield more than half a crop, and the pastures have been in a poor condition. This involved the purchase of hay elsewhere in large quantities, and the sale of cattle where farmers could not or did not wish to buy hay. Cereals of all kinds did badly; the fruit crop was, on the whole, satisfactory in quantity, and fairly so in quality, but prices have been very unremunerative indeed. In fishing, an industry so important that the lack of intelligent interest in it by inland Canadians is deplorable, the results are somewhat better than last year, but not what they have been in the past. In cod-fishing there is an improvement over last year, but the catch was still quite unsatis-

factory, this being attributed by some to lack of bait. The handling of the fish trade by the exporters shows quite a renewal of vigour. When we consider that the fisheries of Nova Scotia produced, in 1903, about two-thirds as much wealth as the coal of Nova Scotia, twice as much as iron and steel, two and a half times as much as the forest, only a trifle less than the field crops, and as much as the orchard, the dairy, live stock, wool and eggs combined, is it not desirable that we should recognize more fully the necessity of conserving and increasing by every means in our power this great source of national wealth? In lumber, prices for deals have fallen badly, while products suitable for the United States and South America have done well. In consequence of the drop in deals, large stocks will be held over, and an attempt is being made to lessen the new cut by about one-half. In coal mining, the large output of recent years has been maintained with a moderate increase, and prices have continued to be satisfactory. In most lines of manufacturing the volume is not lessened, and business continues to be satisfactory, especially with the large establishments which look to Canada as a whole for their market. In some of these the volume of business last year was the greatest ever attained.

In the important industries of iron and steel great progress has been made in lessening the cost of production, and although labour troubles seriously affected a situation already difficult enough, the outlook for profitable results is more promising than at any previous time. Business in general, although curtailed by the unfavourable conditions of which we have been speaking, including the prolonged strikes, has been fairly good. Trade with the West Indies has been increased, aided by a reduction in inland transportation charges, especially in the proportion of such rates to our ports as compared with Boston. Large shipments of flour and other products are now being made. The importance of this is obvious, and we are glad to know that the Halifax Board of Trade is carefully studying the needs of the West Indian islands with a view

to further trade conquests. We have no sub-tropical area, while the United States has enormous advantages in such a national possession. How carefully then should we consider the possibilities both industrially and politically of these British islands in sub-tropical seas, wanting so much that we can produce, and capable of producing so much that we want.

#### ONTARIO.

In Ontario the severe winter and cold spring destroyed much of the winter wheat, and the yield was so small that the higher prices did not compensate except in a few districts. Other grain crops, hay and pasturage, and roots, have done very well on the whole. These, however, are used mainly for cattle, and while prices for cattle were at one time satisfactory, later conditions in Great Britain caused the price here to drop, so that many farmers who were not in a position to feed over the winter have sold at unremunerative figures. The price for hogs has also been less favourable to the farmer than in recent years.

In the dairy we have had one of the worst years ever known for the dealers, and a bad year for the cheese makers. A large and expensive stock held over from last year was sold at a great sacrifice, and new cheese had in consequence to be marketed at a low range of prices. This being the case, the quantity made fell off rapidly. In butter, the conditions were more favourable, and this to some extent mitigates the situation, but, taken as a whole, the money return is between five and six million dollars less than in 1903. Since 1896, the lowest money return for cheese in any one year was \$12,065,000, the highest \$21,563,000, and in 1904 \$14,380,000. In butter the lowest return in the same period was \$2,697,000, the highest \$7,936,000, and in 1904 \$6,325,000. These figures, of course, apply to all Eastern Canada, and not to Ontario alone.

There was in Ontario, as elsewhere in Eastern Canada, a bountiful crop of apples, but the return to the grower has been unusually bad. We hear in every direction of apples left lying on the ground to rot or unpicked on the trees because it

would not pay to pack them for market. Still the best grade of apples will at almost any time bring a good price in Great Britain. Why do we not sort them and grade them so that the best qualities may be clearly separable in price from the poorer apples? If we did, it is probably not true that the good qualities would ever fail to be worth shipping. Do we not ruin the price ourselves by glutting the market with unassorted apples, good and bad, when it would always take the best of the crop at much better prices relatively than we now receive, and would generally take the balance, if honestly graded, at as good a price as such fruit should bring? The shipments to December were only 1,200,000 barrels, against 2,300,000 for the same period in 1903.

Thus far the record of those whose work is the foundation of the prosperity of the nation is distinctly less bright than usual. The total amount of money paid to farmers for their products in 1904 was many millions less than in 1903 and every dollar short represents a corresponding deficiency in purchasing power, debt paying power or power to save. Except, however, in a few districts where there are low-lying lands and where for two or three years the results have been disappointing, there is no actual failure to make progress. In some towns sales have been smaller, but this is not the usual condition. The situation may be summed up by saying that as a rule the farmer has been able to pay his debts but not to add to his savings bank account. He has not paid the merchant, and sometimes not the implement maker, quite as well as in recent years, but there are few requests for money on mortgage.

The lumber situation in Ontario and Quebec has shifted somewhat from the record during recent years of increasing prices and increasing cost of production. Great Britain seems unwilling at the moment to pay as much for thin boards, or as much relatively for deals, as the United States, where the demand is good at satisfactory prices. If this causes the quantity shipped as deals from Quebec to show a considerable decline it may result in the trade of that Province, once so

largely in square timber, becoming in the main one of thin lumber. With the decreased British demand the trade is not quite as good as last year, and it is hoped the cut this season may be curtailed and the cost somewhat lessened.

The reports from towns and cities in Ontario, with few exceptions, indicate a large and prosperous volume in trade and manufacturing—not markedly different, indeed, from that of the previous year. It is true that some admit loss of trade from the deterrent effects of the severe winter and the poor crops in the East, and while some have still further added to their plants and very many report still larger sales than in 1903, many more are well satisfied in having repeated the sales of that year. The maintenance of this high volume in the face of a reduced purchasing power in the East has doubtless several explanations, but the prominent reasons seem to be the increasing demand for all classes of goods from the West and the confidence in the immediate future of Canada in view of the immigration, the extensive railroad building, and the fact that the outside world begins to understand the opportunities we have to offer to energy. As in all recent years, labour has been scarce, skilled labour particularly so.

In Toronto the volume and profits of business, taken as a whole, were of course largely interfered with by the great fire, and in addition to the losses naturally following this, the business community is called upon to bear unusually high insurance rates because of the heavy losses borne by the insurers. The losses by the railroads from the unusual winter have caused an increase in freight rates. The rebuilding of the burnt area and of the numerous extensive establishments outside of this area, has brought about a perfectly natural rearrangement of warehouse and manufacturing premises, but no doubt in many cases the new rent charge will be heavier than the old. Taking the poor crops in the East also into account, there are several important elements of an unfavourable character in business here, but they are apparently outweighed by the rapidly increasing buying power of our great West.



Before passing from this reference to our great fire it is well to consider what we are to learn from it. We seem to take great satisfaction in blaming the insurance companies for increased rates, and even some of our city aldermen have the hardihood to join in these harsh criticisms. It is the business of fire insurance companies to insure people for a rate which will yield them a profit, and if they make a profit they can be indifferent to the loss of ten or twelve millions of dollars by one fire, but can we? Does not the new high rate of insurance show us that it is this community which in the long run loses every dollar in value that was destroyed by the great fire? And if this is true, as it clearly is, we should not hesitate to obtain every deterrent to fire that is reasonably possible, and every appliance for its extinguishment that could be made available in the hands of our firemen or ourselves.

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

Although the farmers in Western Canada were more prosperous in 1904 than their Eastern brothers, this is mainly due to the high prices for wheat. The winter, the worst in twenty years, marred the results of both farming and ranching in many districts. The late spring delayed seeding so that early prospects were not good for cereals. Fine weather following changed the outlook to one so good that the wheat crop was estimated as high as 75,000,000 bushels. Cool and damp weather in August developed rust, mainly in southern-central Manitoba, and in consequence of this estimates were made, sometimes by honest people unduly alarmed, but sometimes by speculators seeking to affect the price, as low as 35,000,000 bushels. We see no reason to alter the estimate made by our Winnipeg manager and given in October to the English press. He, along with other good authorities, placed the total of wheat at about 60,000,000 bushels, worth about \$40,000,000. Other grains and hay have done as well, both in yield and price, as in 1903, and represent about another \$10,000,000 in value to the farmer. While in a few districts where the rust was most serious, the poor yield and low quality

affected the result to the farmer, and collections by merchants and others have been unsatisfactory, yet the majority of farmers had crops of about the same quantity with a larger money value, and, the acreage being increased, the total result in money from wheat considerably exceeds the return either in 1902 or 1903. Many farmers did not, however, pay ordinary debts as well as in other recent years, because of the unusual load carried through new land purchases. When land values are rising and settlement is being made so rapidly it is very natural that the hitherto successful farmer should desire to increase his holdings, but, having regard to the ability of one farmer of ordinary capacity to deal satisfactorily with more than a certain number of acres, there seems to be no doubt that this is being done to an unwise extent. Many farmers are assuming in this way a load of debt which may trouble them seriously some day, and they are apparently repeating the experience in Ontario, of abnormally raising the market price of the land they buy, by their eagerness to acquire large holdings. The farmer, however, has more reason for his investments in land with the consequent load of debt, than the ordinary business man in town and city. But if we can judge by the evidence coming before us as bankers, the mania for owning land as a speculation instead of a permanent investment is widespread in the West. This must add to the legitimate advance in values a very unhealthy further advance, and punishment will inevitably come for all that is unsound. The West, in a word, is so prosperous that it has altogether too little fear of debt, and when more transactions are on a cash basis, values will be more certain, even if they are somewhat lower.

The acreage to be seeded next spring will be much larger than in any previous year, and the autumn work in preparation has been done under most favourable conditions. In view of the many contingencies possible, it is perhaps useless to estimate the yield, but if no better average results are obtained than those of 1902, 1903 and 1904, the total yield

of wheat in Manitoba and the Territories for 1905 should not be less than 80,000,000, and with favourable conditions may reach 100,000,000 bushels. What with new land producing surprising yields per acre, and varied climatic conditions due to the enormous area of the country in parts of which wheat is being grown, we may reasonably expect that each year will produce at least such an average as will mean prosperity to the farmers as a whole. Having regard, however, to the steadily falling yield per acre and the decline in quality of the grain grown upon wheat lands in the United States, what are we to learn regarding the older wheat lands of Manitoba? The existence of rust to a serious extent in the most settled parts of Manitoba may have no connection with its wide prevalence in the United States. Our best authorities say that the unusual quantity of rust in Manitoba and Eastern Assiniboia was due to the abnormal weather, and is therefore only likely to recur for that reason. But whether this be true or not, is it not true that some of the farmers in Manitoba, by over-cropping, are killing the goose which lays the golden egg? Have we not been taught that land must be fertilized, changed in crop from time to time, and rested otherwise occasionally, or else that it will fall in yield as some of the older parts of the United States have fallen? Is the rich land of the North-West so rich that it can defy forever these principles of cultivation? Surely it is not, and it is to be hoped that with our magnificent record for quality, and our otherwise splendid position as wheat growers, we are not destined to drop from our high level merely because we are unwilling to face the truth and do what it commands.

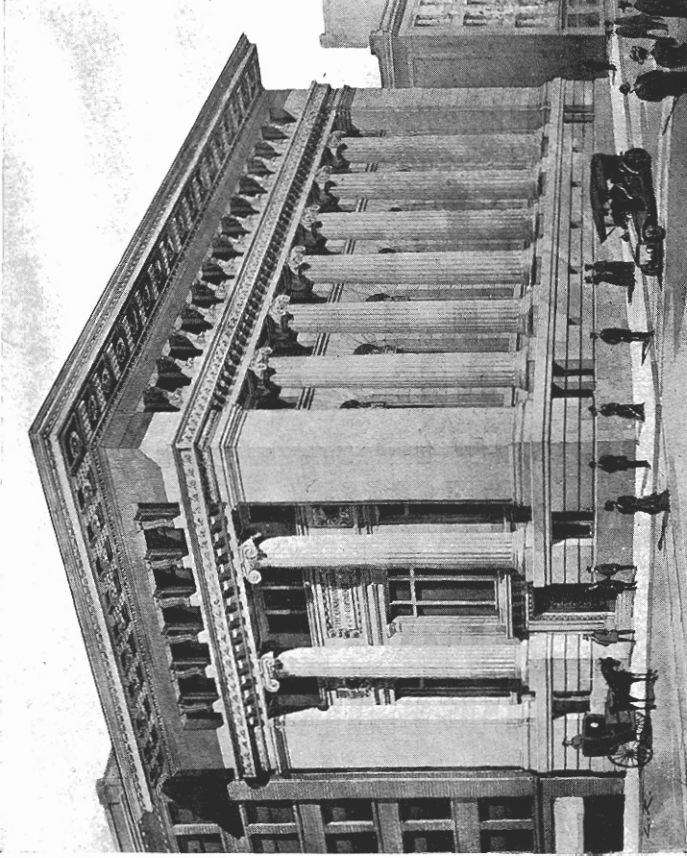
The conditions of wheat production in the United States, to which we have referred, accompanied by an unusually lean crop for 1904, have caused a further relaxation of the regulations under which Canadian wheat may be ground in bond in the United States for their European flour trade, and wheat has also, to a small extent, actually been imported from Canada, and the high duty paid, in order to produce

satisfactory flour for home consumption. These are significant facts. Some day we shall help to feed the vast population of the United States, and a duty on our food stuffs will be impossible of maintenance. In the meantime let us attend faithfully to our present satisfactory markets, which can be securely kept only, as in any other business creating merchandise, by producing the best article possible.

Little that is satisfactory can be said of the cattle trade, whether as it affects the ordinary farmer or grazier in Ontario and Manitoba, or as it affects the rancher in the Territories. The winter was one of the hardest on cattle for many years. Prairie fires in the previous autumn had destroyed large areas of grass in the ranching country, and the spring following the severe winter was most unfavourable. Owing to the large herds driven in from the United States many of the cattle on the ranges were in a strange country and ill prepared to take care of themselves in such unusual conditions. These exceptional disadvantages might, however, have been borne, but the low prices in England and the prolonged strike in the cattle trade in Chicago combined with the other misfortunes to make a very bad year for both the producer and the middleman. In the most southerly part of Alberta and in British Columbia the unfavourable winter features were absent and the cattle had an excellent season.

So much has been written about Winnipeg that little need be said here. The population grows with astonishing rapidity, and all precise records such as those of Clearing House totals, Inland Revenue and Customs, Post Office statistics and the value of buildings erected, make it clear that it is destined to be a commercial centre of commanding importance.

Calgary, Edmonton, and the towns lying between are all growing rapidly, the growth in Calgary being the most noticeable, and comparing favourably with Winnipeg, having regard to its previous proportions. Mixed farming and dairying in this district are producing a good class of farmers, and while the crops this year are not more than an average, prosperity is evident almost everywhere.



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The new settlers in the North-West, as shown by the official records from 1st January to 30th November, were about 97,000, chiefly in the Territories.

#### BRITISH COLUMBIA.

For many years to come one of the most important industries in British Columbia will be supplying the Territories with lumber. For the time being, although the demand from the Territories is very large, the supply is excessive. To a great extent, and perhaps altogether, this is due to the large over-production in adjacent parts of the United States, and to the lack of any protection to our manufacturers, who, on the other hand, cannot enter the United States without paying duty.

There has been a handsome increase in the quantity of coal mined, and this great business is in a prosperous condition. The mining and smelting of metalliferous ores is probably in a sounder position than ever before. High prices for copper, increased knowledge of the technical features of mining, a sufficient supply of coke, and the absence of share speculation in untested or worthless properties are the satisfactory features. The least favourable is the uncertainty as to the permanence of reasonable relations between the mine owners and labour.

As 1904 is the last year in the four-year period which so affects the Fraser River, only a small catch of salmon was expected. The actual catch of 458,000 cases is not more than a third of the great catch of 1901, and even this result is largely due to the fishing in the northern rivers being exceptionally good. The failure on the Fraser River is the more serious because the hatcheries were not able to obtain even approximately a sufficient supply of eggs. It is believed that the authorities are now aroused to the necessity of repairing the effects of the grave negligence of the past, but unless this is promptly done, both for the partially exhausted areas of the Fraser River and for the still excellent northern rivers, we may lose for many years to come one of the greatest posses-

sions of our Pacific Coast. There are great possibilities in other fish besides salmon, and to some extent our United States neighbours are already alive to the fact.

The output of gold from the Yukon, and other northern fields in Canada, is about the same as last year, and this affords a valuable trade to British Columbia.

Business as a whole is prosperous in British Columbia, and while the population is small relatively to the enormous territory they have to develop, the province is so full of unusual resources that it cannot fail to make steady progress.

#### PACIFIC COAST STATES.

The three states on the Pacific Coast in which we are interested have all been prosperous, although the conditions are more variable than usual.

In Washington, as we have intimated, the lumber business—one of its most important industries—has been rendered unprofitable for the time being by *over-production*, and in salmon canning it has experienced the same very unsatisfactory results as in British Columbia. The high prices for wheat and hops, and the large crop of the former, are among the favourable features. The trade with the North has been well maintained, but the war between Russia and Japan has interfered considerably with trans-Pacific business. On the whole, *business has not been as good as in 1903*, and still less so than in 1902. The prospects as far as can be seen for 1905 promise a better return in lumber, owing to an improved Eastern market, and in salmon.

Oregon has been more prosperous even than usual. An excellent wheat crop with high prices, high prices for hops and wool, improvement in mining, and an unusually large pack in salmon are sufficient evidences. *It is in Oregon that most intelligence has been shown in the propagation of salmon*, and although this year some of the ordinary regulations were suspended, interfering seriously with the work of the hatcheries, still if we and the State of Washington, inter-



ested as we are together in Puget Sound, are willing to learn from Oregon, we may yet succeed in so caring for our salmon areas as to produce a catch year by year with at least no greater risk of variation than in wheat.

California has had continued prosperity, although, as in Washington, there have been some adverse features. Wheat and barley, uncertain crops at all times in this State, gave very low yields. The crops of grapes have been very large for the past three years, and the pack of canned fruits is steadily increasing. In lumber there has been large overproduction in Douglas fir, the trade in which has suffered correspondingly, but the trade in redwood and sugar pine is increasing in volume and is satisfactory as to profits. The Hawaiian sugar trade, which is largely centered in San Francisco, has been unusually successful, and the prospects for next season are excellent. Coast-wise shipping has been profitable, but trans-oceanic shipping is suffering from several causes, chief among them being that the high price for grain in the Eastern United States has caused wheat to go by rail in that direction instead of over sea to Europe, or in the shape of flour to Japan.

#### GENERAL REMARKS.

I must apologize for the unusual length of my remarks regarding the various parts of North America in which we are interested. The features which are gratifying and those which are not so agreeable are both numerous, and the situation in detail is much more difficult of explanation than in most years. The fact, however, which outweighs all points of detail is that with an unusual number of natural products yielding less than normal returns, the total result is a year of decided progress. We have not hesitated to set out in detail many features unfavourable because of conditions peculiar to the season and beyond our control, and especially such results as with increased knowledge or industry might have been improved. The confidence of Canadians in the future of their country is so great that we need not

fear by such criticism to lessen it materially. We are in far worse danger from a disposition to expect too early results from our energies, and to purchase rather in relation to what we think we shall shortly be able to afford, than to what we can afford at the moment. But it is hard to resist this hopefulness when we have regard to the progress of the last ten years. In that time the business of banking in Canada has increased as much as in the preceding eighty years. The deposits of the people have not merely grown enormously in the aggregate, but they have grown from \$52.16 per head to about \$99.50. The bank note circulation which, owing to the rapid multiplication of branches, must in the East at all events be shorter-lived than ten years ago, has nevertheless grown from \$6.25 per head to about \$11. In the same period, our foreign trade has grown from \$48.36 per head to about \$84.25. With the tide of the world's land-seekers set at last towards our North-West, with our national credit in the world's money markets at its highest, with plans for transportation adequate in scope at least for the immediate future, it is perhaps natural that we should need more of warning than encouragement.

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

Dr. Hoskin.—The following resolution has been placed in my hands :—That this meeting hereby confirms the action of the Board of Directors in increasing from \$15,000 to \$25,000, the Bank's annual contribution to the Pension Fund for the employees of the Bank, and authorizes such further increase in the annual contribution as may from time to time be rendered necessary by an increase in the number of employees who may be contributors to the Fund.

The policy of the Directors, as shown in this resolution, should commend itself to all concerned. This is one of the many plans adopted by the Bank for the furtherance of the interests of the staff, and it should impress them with the assurance that the Shareholders and the management desire

to look after, and to care for, those who loyally and faithfully serve them. I have therefore much pleasure in moving this resolution.

The resolution was briefly seconded by Mr. Flavelle.

Mr. Walker.—The Pension Fund of the Bank was established, I think, about ten years ago. From the moment I accepted the position of General Manager, I and my co-worker, at that time Mr. Plummer, had very deeply in mind the desirability of establishing it. Because it is an extremely difficult and expensive thing we could not accomplish it as soon as we wished, but about ten years ago we made a start.

We had for many years before that guaranteed the fidelity of our officers through a fund; or rather they, by the payment of a small premium, guaranteed their own fidelity. This plan was so successful that we had in this fund \$100,000 more than any capital we thought we could possibly need. We transferred that to this Pension Fund, and we are transferring now another surplus earned really by the men through their own guarantee of each other's fidelity, leaving always in the fund an ample sum for its purposes. I mention this because without it we could probably not have established the Fund.

As you know, we have, during the last few years, absorbed two other banks, and in doing so we have insisted on taking over the staff in such a form that they would, on entering the Bank, receive, when they came to superannuation, due allowance for their years of service in the bank they were in before they came to us, a matter of justice to the members of the staff often forgotten when amalgamation takes place. Because of that we knew we would have to make some large adjustment as soon as an actuarial examination was made. As a result of that examination we are asking you to increase your annual contribution to \$25,000, or about \$70 per annum per member of the fund.

I may say before sitting down that I do not know whether there are any Shareholders who have any doubt about the desirability of Superannuation Funds. I hope there

are not. The fact is that the Bank needs the solidarity and enthusiasm of its officers. Mere lip service and eye service or service with the hands will not do. We have to have a very much higher kind of service than that, and if we expect men to give their lives to this Bank and to answer in its service to any call made upon them, we must not expect that we can deal with them as easily as with a hand in a factory who is paid off on Friday night. This is a service, and it must be managed, if it is to be successful, as a service, and the men must feel that the Bank they serve through their lives will do its part in taking care of them.

The President.—The resolution is one that I am sure will have the very cordial approval of every person present and of every Shareholder of the Bank. If there ever was an institution that has a thoroughly efficient and loyal organization, it is The Canadian Bank of Commerce. I think that has been demonstrated in many ways.

The resolution was carried unanimously.

It was then moved by Mr. Justice Britton, seconded by Mr. N. Silverthorn.—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.

Mr. Justice Britton.—I beg to move a resolution that perhaps sometimes has the appearance of a formal resolution, but in this case, having heard the remarks of the General Manager, I feel that it is more than this. When we consider the administering of over 91 millions of dollars and the extent of territory over which this money must be used—and used at a profit—I am sure we understand the vast responsibility that rests upon the President and his co-Directors and upon every official of the Bank.

The President.—On behalf of my colleagues and on my own behalf I desire to express my appreciation of the resolution that has been proposed and seconded so kindly. The Board I am sure try in the very best way they can to render

every possible assistance to the management in the discharge of their duties. It is unnecessary for me to say, and I am sure my colleagues will agree with me, that, after all, the great success attending the Bank is due to the General Manager and his Assistant, and to their staff throughout the country.

It was then moved by Mr. J. L. Blaikie, seconded by Mr. J. A. Bruce.—That the thanks of the meeting be tendered to the General Manager, the Assistant General Manager, and other officers of the Bank, for the *satisfactory discharge* of their respective duties during the past twelve months.

Mr. Blaikie.—I have a resolution entrusted to me which, very fortunately for me and very fortunately for you, requires no argument to persuade everyone here present, and all the Shareholders outside, if they were present, to vote for enthusiastically. The vote of thanks that has just been passed to the Directors is well merited, but we all know that however able a *body of directors* may be, we must, after all, mainly depend upon the executive officers of the Bank, the General Manager, his Assistant and the staff.

We have all listened, sir, to-day, with a great deal of interest and pleasure to the *whole proceedings*, and certainly with very great interest to the admirable address of Mr. Walker, the General Manager. Mr. Walker has travelled far afield, from the Atlantic to the Pacific; he has touched upon almost every conceivable branch of industry in the country with which the Bank is interested, he has done so with a great deal of ability, and has given us a most edifying and instructive address. Only think, sir, of some 800 employees of the Bank. The General Manager and his assistants must be in touch with every manager: must know something about them all; must know how they are discharging their duties. It is a tremendous undertaking. The splendid result produced, the grand profit, the good dividend, the handsome surplus in addition to the Reserve Fund should make every Shareholder thoroughly well satisfied that they

are indebted to the General Manager, his Assistant, and the whole office staff. I therefore have much pleasure, sir, in moving this resolution.

In replying, Mr. Walker said.—I have to thank you for myself and on behalf of Mr. Laird for this resolution. We have a number of our managers from different parts of the country with us, and it has occurred to me that on this occasion it would be desirable that the response should come from them. I will therefore ask Mr. John Aird, our Manager at Winnipeg, and Mr. H. H. Morris, the Inspector at Vancouver, to reply on behalf of the staff.

Mr. Aird.—I am sure I appreciate very much the privilege which has been given me of replying to this resolution on behalf of the staff in Manitoba and the North-West Territories. As you know, the Bank has been doing a good deal of pioneer work in the West in districts which are not yet well settled, where the comforts of life are not as great as in the older and more thickly populated parts of the country. I can assure you that the duties which these men have discharged are quite onerous and they have been well and faithfully done. I do not think that in any part of the country there is a more loyal staff than in Manitoba and the Territories. I thank you again on behalf of the staff.

Mr. Morris.—I am very glad to have the opportunity to respond to this resolution on behalf of the staff in my district, which is that west of the Rocky Mountains, extending as far north as Dawson, and down into the United States to San Francisco. I have been associated most closely with the staff in this district from the time of the amalgamation with the Bank of British Columbia, and I am glad to say that, as far as the staff is concerned, the amalgamation has been an unqualified success. The dividing line between the former staff of the Bank of British Columbia and that of The Canadian Bank of Commerce has entirely disappeared, and in making transfers from one point to another it is never considered whether or not an officer was originally a member of

one staff or the other. I can say without reservation that there is certainly not a more loyal section of the staff than that to be found west of the Rocky Mountains.

Moved by Mr. Kilgour, seconded by Mr. Kingman :— 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 till 3 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. George A. Cox, Robert Kilgour, W. B. Hamilton, M. Leggat, Jas. 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.

