

THE CANADIAN BANK OF COMMERCE

HEAD OFFICE - TORONTO, ONTARIO

CAPITAL PAID-UP - - - - - \$10,000,000
REST - - - - - \$ 4,500,000

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.
H. D. WARREN, ESQ. B. E. WALKER, 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 AND YUKON—

ATLIN.....	D. ROSS.....	Manager.
CRANBROOK.....	F. C. MALPAS.....	“
DAWSON.....	D. A. CAMERON.....	“
FERNIE.....	T. B. MAY.....	“
GREENWOOD.....	W. ALLISON.....	“
KAMLOOPS.....	C. W. HALLAMORE.....	“
LADYSMITH.....	W. A. CORNWALL.....	“
NANAIMO.....	E. H. BIRD.....	“
NELSON.....	J. L. BUCHAN.....	“
NEW WESTMINSTER.....	H. R. DAVIDSON.....	“
PENTICTON.....	J. M. CHRISTIE.....	“
PRINCETON.....	W. H. SWITZER.....	Act. Mgr.
VANCOUVER.....	WILLIAM MURRAY.....	Manager.
Do. EAST.....	C. W. DURRANT.....	“
Do. SOUTH.....	E. W. CARR HILTON.....	“
VICTORIA.....	G. GILLESPIE.....	“
WHITE HORSE.....	L. M. DEGEX.....	“

NORTH-WEST TERRITORIES—

BRANDON.....	A. MAYBEE.....	Manager.
CALGARY.....	C. W. ROWLEY.....	“
CARMAN.....	E. C. COMPLIN.....	“
CLARESHOLM.....	A. B. IRVINE.....	“
DAUPHIN.....	D. H. DOWNIE.....	“
EDMONTON.....	T. M. TURNBULL.....	“
ELGIN.....	H. B. HAINES.....	“
ELKHORN.....	R. H. BROTHERHOOD..	“
GILBERT PLAINS.....	G. C. T. PEMBERTON ..	“
GRANDVIEW.....	G. C. T. PEMBERTON ..	“
HIGH RIVER.....	P. H. JORY.....	“
INNISFAIL.....	H. L. EDMONDS.....	“
KINISTINO.....	E. R. JARVIS.....	“
LETHBRIDGE.....	C. G. K. NOURSE.....	“
LLOYDMINSTER.....	S. M. DALY.....	“

BRANCHES AND AGENCIES—Continued.

MACLEOD.....	H. M. STEWART.....	Manager.
MEDICINE HAT	F. L. CRAWFORD.....	"
MELFORT	E. R. JARVIS.....	"
MOOSEJAW.....	E. M. SAUNDERS.....	"
MOOSOMIN	D. I. FORBES	"
NANTON	N. F. FERRIS	"
NEEPAWA	G. M. GIBBS	"
NORTH BATTLEFORD.....	A. S. HOUSTON.....	"
PINCHER CREEK.....	W. G. LYNCH.....	"
PONOKA	E. A. FOX.....	"
PORTAGE LA PRAIRIE....	A. L. HAMILTON.....	"
PRINCE ALBERT	C. D. NEVILL	"
RED DEER	A. SCOTT	"
REGINA.....	HY. F. MYTTON.....	"
SASKATOON	W. P. KIRKPATRICK ..	"
STRATHCONA	T. M. TURNBULL	Act. Mgr.
SWAN RIVER.....	F. J. MACOUN.....	Manager.
TREHERNE	J. S. MUNRO.....	"
VEGREVILLE	W. P. PERKINS	"
VERMILION.....		"
WETASKIWIN	E. A. FOX	Act. Mgr.
WINNIPEG.....		
Do. FORT ROUGE... }	JOHN AIRD	Manager.
Do. LOUISE BRIDGE }	R. A. RUMSEY	Asst. Mgr.
Do. NORTH	H. W. TRENHOLME....	Act. Mgr.
Do. PORTAGE AVENUE	G. M. PATTERSON.....	"
Do. ROSS AVENUE....	T. S. STRATHAIRN	"
YELLOWGRASS.....		"

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	JAMES SIMON	"
COBALT		"
COLLINGWOOD.....	R. W. CROMPTON.....	"
DRESDEN	J. MCE. MURRAY.....	"
DUNDAS.....	W. H. DUNSFORD.....	"
DUNNVILLE	R. T. MUSSEN.....	"

BRANCHES AND AGENCIES—Continued.

FORT FRANCES	J. A. SMITH	Manager.
GALT	H. R. O'REILLY	"
GODERICH	R. S. WILLIAMS	"
GUELPH	J. M. DUFF	"
HAMILTON	D. B. DEWAR	"
LONDON	JEFFERY HALE	"
MONTREAL	F. H. MATHEWSON	"
ORANGEVILLE	G. A. HOLLAND	"
OTTAWA	ROBERT GILL	"
BANK AND SOMERSET	C. R. ARMSTRONG	Act. Mgr.
PARIS	R. C. MACPHERSON	Manager.
PARKHILL	T. L. ROGERS	"
PARRY SOUND	E. M. LOCKIE	"
PETERBORO	D. HUGHES CHARLES	"
PORT ARTHUR	A. W. ROBARTS	"
PORT PERRY	CHAS. BALLARD	"
RAINY RIVER	H. W. GRAHAM	"
ST. CATHARINES	R. G. W. CONOLLY	"
SARNIA	A. D. MCLEAN	"
SAULT STE. MARIE	GEO. WILLIAMS	"
SEAFORTH	G. E. PARKES	"
SIMCOE	W. C. J. KING	"
STRATFORD	WM. MAYNARD	"
STRATHROY	L. H. DAMPIER	"
TORONTO	{ J. C. KEMP	"
	{ M. MORRIS	Asst. Mgr.
BLOOR AND YONGE	JAMES BRYDON	Manager.
BROADVIEW AND QUEEN	J. M. HEDLEY	"
CARLTON AND PARLIAMENT	A. H. CREASE	"
163 KING ST. EAST	T. A. CHISHOLM	"
PARKDALE	W. A. COOKE	"
QUEEN AND BATHURST	E. M. PLAYTER	"
SPADINA AND COLLEGE	WM. MANSON	"
YONGE AND COLLEGE	H. F. D. SEWELL	Act. Mgr.
YONGE AND QUEEN	R. CASSELS	Manager.
TORONTO JUNCTION	GEO. LYDE	Act. Mgr.
WALKERTON	G. M. WEDD	Manager.
WALKERVILLE	A. W. RIDOUT	"
WATERLOO	F. C. G. MINTY	"
WIARTON	J. J. ACRES	"
WINDSOR	D. MACGILLIVRAY	"
WOODSTOCK	G. W. MCKEE	"

BRANCHES AND AGENCIES—Continued.

MARITIME PROVINCES—

AMHERST.....	J. H. MORRISON.....	Manager.
ANTIGONISH.....	H. JEMMETT.....	"
BARRINGTON.....	F. W. HOMER.....	"
BRIDGEWATER.....	H. C. DUNCAN.....	"
HALIFAX.....	{ H. N. WALLACE.....	"
	{ C. D. MACKINTOSH.....	Asst. Mgr.
LUNENBURG.....	W. C. T. MORSON.....	Manager.
MIDDLETON.....	S. N. MOFFAT.....	"
NEW GLASGOW.....	B. DEVEBER.....	"
PARRSBORO.....	E. G. SHANNON.....	"
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.....	{ Wm. GRAY.....	} Agents.
	{ H. B. WALKER.....	
	{ J. P. BELL.....	
PORTLAND, OREGON.....	E. A. WYLD.....	Agent.
SAN FRANCISCO.....	{ A. KAINS.....	} " " " " " "
	{ G. W. B. HEATHCOTE.....	
SEATTLE.....	G. V. HOLT.....	Agent.
SKAGWAY.....	H. M. LAY.....	"

GREAT BRITAIN—

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



VEGREVILLE, ALTA.

The Bank has buildings of this type at Latchford, Ontario; at Troherne and Blake Street, Winnipeg, in Manitoba; at Humboldt, Langham, Lashburn, Melfort, Radisson, Vonda and Yellowgrass in Saskatchewan; and at Nanton, Stony Plain and Vermilion in Alberta

BANKERS AND CHIEF CORRESPONDENTS.

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 First 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; TACOMA—The Bank of California.

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, 1905.

LIABILITIES

Notes of the Bank in circulation.....	\$ 8,738,670 68
Deposits not bearing interest.....	\$19,425,688 84
Deposits bearing interest, including interest accrued to date.....	54,947,802 12
	74,373,490 96
Balances due to other Banks in Canada.....	128,832 92
Balances due to other Banks in foreign countries	225,477 32
Dividends unpaid	429 37
Dividend No. 77, payable 1st December	349,824 61
Capital paid up.....	\$10,000,000 00
Rest.....	4,500,000 00
Balance of Profit and Loss Account carried forward.....	58,871 76
	14,558,871 76
	\$98,375,597 62

ASSETS

Coin and Bullion.....	\$3,391,576 89
Dominion Notes.....	4,877,539 75
	\$ 8,269,116 64
Deposit with Dominion Government for security of Note circulation.....	400,000 00
Notes of and Cheques on other Banks	3,496,517 07
Balances due by other Banks in Canada.....	29,555 86
Balances due by Agents in Great Britain	2,485,681 31
Balances due by Agents of the Bank and other Banks in foreign countries.....	1,042,220 85
Government Bonds, Municipal and other Securities	5,711,102 77
Call and Short Loans.....	11,252,325 87
	\$32,686,520 37
Other Current Loans and Discounts.....	64,303,041 40
Overdue Debts (loss fully provided for)	101,327 86
Real Estate (other than Bank Premises)	71,023 66
Mortgages	51,378 41
Bank Premises	1,000,000 00
Other Assets	162,305 92
	\$98,375,597 62
	\$98,375,597 62

B. E. WALKER,
General Manager.

THE CANADIAN BANK OF COMMERCE

REPORT OF THE PROCEEDINGS OF THE ANNUAL MEETING OF SHAREHOLDERS

TUESDAY, 9TH JANUARY, 1906.

The thirty-ninth Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking-house on Tuesday, 9th January, 1906, at 12 o'clock.

Among those present were :—

H. P. Dwight, David Smith, N. Silverthorn, Summerville ; William Cook, Carrville ; F. J. D. Smith, Newtonbrook ; Mrs. F. J. D. Smith, Newtonbrook ; John A. Bruce, Hamilton ; Robert M. Dennistoun, Peterboro ; F. C. Bruce, Hamilton ; John L. Blaikie, John A. Morton, Miss Robinson, Hamilton ; W. H. Lugsdin, Blenheim ; Robert Gill, Ottawa ; W. T. Boyd, H. B. Walker, New York ; W. W. Tamblyn, Bowmanville ; James Crathern, Montreal ; G. A. Holland, Orangeville ; E. W. Cox, H. L. Watt, H. C. Cox, R. C. Macpherson, Paris ; Henry Beatty, John Pugsley, R. Harmer, Rev. Dr. Griffin, R. S. Williams, Goderich ; John Catto, A. V. Delaporte, J. McE. Murray, Dresden ; Wm. Spry, Dr. J. H. Carrigue, F. C. G. Minty, Waterloo ; G. G. S. Lindsey, E. R. Wood, W. H. Lockhart Gordon, R. C. Carlyle, N. F. Ferris, Nanton ; Hon. Mr. Justice Maclaren, John Hoskin, K.C., LL.D., G. M. Wedd, Walkerton ; George Murray, Richard Brown, J. O. Thorn, W. A. Murray, James Hedley, S. Nordheimer, A. Kingman, Montreal ; T. L. Rogers, Parkhill ; F. Nicholls, Hon. George A. Cox, S. J. Moore, Hon. S. H. Blake, K.C., John A. MacKay, J. S. McMaster, Hon. L. Melvin Jones, Matthew Leggat, Hamilton ; R. Kilgour, Charles Bonnick, C. D. Massey, R. Cassels, A. D. Clarke, Cawthra Mulock, Wm. Davies, Wm. Garside, Wm. Ross, John Aird, Winnipeg ; George F. Hedges, Cherrywood ; A. F. Rutter, R. Wickens,

Mrs. E. J. Gripton, St. Catharines ; W. Murray Alexander, C. M. Gripton, St. Catharines ; Edward Cronyn, G. F. Little, Thomas Walmsley, E. H. Bickford, A. W. Anglin, J. R. Shaw, George A. Case, A. W. Robarts, Port Arthur ; W. Manson, A. D. McLean, Sarnia ; S. R. Wickett, Walter Cassels, K.C., G. A. Morrow, L. J. Cosgrave, George J. Foy, A. E. Webb, Frederick Wyld, Dickson Patterson, A. G. Verchère, Wiarton ; D. Hughes Charles, Peterboro ; Major Deuer, R. Mulholland, H. G. Nicholls, Frank Darling.

The President, Hon. George A. Cox, having taken the chair, Mr. F. G. Jemmett was appointed to act as Secretary and Messrs. E. Cronyn and W. M. Alexander 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-ninth Annual Report, covering the year ending 30th November, 1905, together with the usual Statement of Assets and Liabilities:—

The balance at credit of Profit and Loss Account brought forward from last year was..\$	28,726 39
Net profits for the year ending 30th November, after providing for all bad and doubtful debts, amounted to	1,376,167 63
Premium on New Stock.....	564,996 00
	<u>\$1,969,890 02</u>

Which has been appropriated as follows:—

Dividends Nos. 76 and 77, at seven per cent. per annum	\$ 666,784 27
Written off Bank Premises.....	219,233 99
Transferred to Pension Fund (annual contribution).....	25,000 00
Transferred to Rest Account	1,000,000 00
Balance carried forward.....	58,871 76
	<u>\$1,969,890 02</u>

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

In accordance with the decision advised to you at the beginning of the year, \$1,300,000 of new stock has been issued, and the paid-up capital of the Bank now stands at \$10,000,000.

Your Directors are pleased to be able to report that the earnings for the year have been the most satisfactory in the history of the Bank, amounting to \$1,376,167.63. Adding to this the sum of \$564,996, being the premium on the new stock issued during the year, we have been able, after providing for the usual dividend and for the contribution to the Pension Fund, to write \$219,233.99 off Bank Premises, and to add \$1,000,000 to the Rest.

During the year the Bank has opened new branches as follows:—In British Columbia, at Penticton, Princeton and South Vancouver; in Alberta, at Claresholm, High River, Lethbridge, Macleod, Pincher Creek, Vegreville and Vermilion; in Saskatchewan, at Kinistino, Melfort, North Battleford, Saskatoon and Yellowgrass; in Manitoba, at Brandon and at Louise Bridge, Winnipeg; in Ontario, at Cobalt and Port Arthur. Since the close of the Bank's year branches have been opened at Fort Rouge (Winnipeg), at Parry Sound, and on Bank Street, Ottawa. Arrangements have been made for opening almost immediately two additional branches in Toronto—one on Yonge Street, almost immediately north of Queen Street, and the other in Parkdale.

As you are aware, the provisions of the Bank Act formerly required that the number of a bank's directors should not be less than five and not more than ten. By an amendment passed in the last session of Parliament, the limit set to the maximum number has been removed, and you are now free to appoint any number of directors, not less than five, which may seem to you advisable. In view of the increase in the volume of the Bank's business, of the wide extent over

which it is now spread, and of the diversity of interests with which we are called upon to deal, your Directors feel that some increase in their number is desirable, and an amendment to the by-laws will be submitted for your approval, fixing the number at twelve.

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,

Toronto, 9th January, 1906.

President.

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

PRESIDENT'S ADDRESS.

The statements which have been laid before you will, I have no doubt, be regarded as more than usually satisfactory. A year ago we feared that we might not have a continuance of such handsome profits, but this year they are larger than ever, namely, \$1,376,167. These earnings relatively to the average paid-up capital during the year are at the rate of a trifle over 14 per cent. We must point out to the Shareholders that the year's transactions have been exceptionally profitable and may not be easily repeated.

During the year, in accordance with the resolution referred to in the Directors' Report, new stock amounting to \$1,300,000 was issued. It is now clear that it was wise not to delay its issue, as the activity in business, and especially the movement of the crops in the North-West, made both the capital thus acquired and the circulation thus authorized very useful and profitable.

We are spending more money on bank premises than ever before. As we said a year ago, we believe that in times of unusual prosperity we should do all that we reasonably can to provide the Bank with handsome and permanent establishments; such a course not only aids very much in

building up our business, but as one of the great fixed charges in banking is rent, a policy tending towards the ownership of as many as possible of our branch buildings must in the long run add greatly to our net earnings. The large sum thus expended and written off has not prevented us from adding to the premium on new stock, amounting to \$564,996, a sufficient sum to make an increase to the Rest Account of \$1,000,000 thus bringing the total of the Rest up to \$4,500,000.

Our deposits show an increase of only about \$4,000,000. The actual increase in ordinary deposits is, however, much greater, as at the close of the previous year we held a considerable amount of trust money awaiting early disbursement. Our loans are much larger relatively than last year, the widespread business activity throughout Canada, and especially the unusually large crop movement in the North-West, being a sufficient cause.

By the purchase of the Bank of British Columbia in 1900 we acquired premises in London at 60 Lombard Street. We need not say that the situation is most excellent, but the amalgamated businesses of the two banks, together with the great growth of the last few years, have made the premises most uncomfortably small for our purposes. The premises situated alongside the Mansion House and occupied for so long a period by the ancient banking house of Smith, Payne & Smiths, lately amalgamated with the Union of London and Smiths Bank, are about to be rebuilt, and this Bank has secured that part of the site which will be known as No. 2 Lombard Street, No. 1 being occupied by a branch of the Union of London and Smiths Bank. In our opinion, the situation could not possibly be better, and we are very glad that we shall be able to find a permanent home in such a prominent situation, although we cannot expect to enter upon our tenancy for about two years.

The General Manager then spoke as follows:—

GENERAL MANAGER'S ADDRESS.

In reviewing the business situation a year ago we found it a much more difficult task than usual because of the very

varying state of many of the factors which influence our progress. We began the year 1904 expecting some curtailment of a prosperity which had perhaps lasted too long without a check. But although the results from the forest, from agriculture, pasturage and fishing, were all less than we had hoped, the end of the year found us prosperous and more confident than ever. Beyond a doubt, however, we were spending money in all matters, public and private, on an unexampled scale for this usually prudent and economical country, and nothing but large results from industry for the past year would have justified our course. Throughout the whole of 1905, however, there has been no moment of national doubt, and nature seems to have furthered almost every effort we have made. This has clearly produced an optimism which is fraught with great danger, and it is to be hoped that everywhere in Canada the many who did not hesitate to incur debt because they believed in the future, will, now that partial fruition of their hopes has come, hasten to get out of debt before they consider what new expenditure the still further removed future will justify. In saying this I need not apologise for repeating what has already been said elsewhere ; indeed, it can hardly be said too often.

It may be well before dealing with details, to consider the main facts which seem to influence our immediate future. So far as our interests are in common with those of the rest of the world, the end of the Russo-Japanese war seems the most important event of the year. The cost of money in the markets of Europe, owing to recent wars, has been abnormally high for many years. If, after the final loans caused by this last war are placed, we are to have a long period of peace, then the value of money in Europe should gradually decline, and this would have a most favourable effect not only in the ease with which money could be got for Canadian enterprises, but in the cost of the fixed charges upon the enterprises arising from such borrowings. Of course the present terribly disordered state of Russia must pass away before Paris

and other continental money markets are restored to a normal condition. But in any event, unless China intends to resent her bad treatment by the Western nations, it seems as if we may reasonably expect peace and great industrial development in that part of Asia which looks across the ocean to our own provinces and to those states in the American Union which have their shores on the Pacific Ocean. If so, we are reasonably certain that this Bank will share largely in the trade which must come to both Canada and the United States. While the purchasing power of each individual of these Japanese and Chinese peoples may be very small—and that part of it which represents what is called foreign trade is certainly very trifling—still the aggregate, owing to the vast population, will be very large as soon as they are well enough off to buy such great staples as wheat, flour, timber, railroad supplies, etc., in any proportion to their desire to obtain these commodities.

Another great factor in the gradual restoration of the money markets to a normal condition is the rapidly increasing new gold supply. The addition in each year to the world's store of precious metals of about \$350,000,000 worth of gold and about \$100,000,000 worth, at present market prices, of silver, is large enough not only to steady the money markets in the course of time, but also to give great impetus to the efforts being made in some countries to escape from a mere paper basis, and in others which are on a silver basis to advance to a gold basis. We have entirely recovered from the decline in the volume of production caused by the South African war; indeed the output of \$350,000,000 for 1904 means an increase in the annual production of \$150,000,000 in nine years. So that we may soon be able to say that the world has doubled its annual new supply of gold in twelve or fifteen years.

Other important facts, but of more local and direct concern to Canada, are our good crops, the enlarged scale of our railroad building, the satisfactory inflow of immigration, the

development of steel and iron making, and the tremendously enhanced interest shown regarding Canada in both Great Britain and the United States, particularly exemplified by acute discussions of tariff preference and of reciprocity.

It is hardly necessary to enter as fully into the details of our foreign trade as we did a year ago. The fiscal year covered by the Dominion Government reports ended 30th June, 1905, and the effect of the harvest of 1905 on our exports is therefore not yet evident. We again show a serious loss in exports, the total falling to \$203,316,000, about \$10,000,000 less than in 1904, and \$22,500,000 less than the high-water mark of 1903. The loss is practically all in agricultural products, other increases and decreases about off-setting each other. Doubtless in the first half of the present fiscal year the loss will have been made up. The more serious aspect of our foreign trade is on the import side. We had \$10,000,000 less to pay with by way of exchanging commodities, and yet we bought \$7,500,000 more than for the previous year, widening the unfavourable balance between exports and imports to \$63,500,000. From 1895 to 1901 inclusive, but deducting the small contra balance of 1899, the excess of exports over imports was \$51,000,000. This has been followed by an excess of imports over exports from 1902 to 1905 inclusive, but practically for only three years, of \$125,000,000. As we said a year ago, we are spending money in public and private improvements, looking to the future for a return, but do not let us overlook the fact that we are putting a heavy mortgage on the future. It is well to notice that we imported a little less from Great Britain in the year under review than in the previous year, while our imports from the United States were nearly \$11,000,000 greater. Of our imports iron and steel in all forms, including rails, account for nearly \$40,000,000. This gives a concrete illustration of what it would be worth to Canada to make these articles entirely, or as nearly as possible, in our own country.

The Clearing House returns help us to understand the growth of the internal trade of Canada. In 1904 the total of the operations of eleven clearing houses was \$2,735,744,235. For 1905 the total is \$3,336,602,170.

THE MARITIME PROVINCES.

In view of the rather unhappy conditions we had to report last year regarding the Maritime Provinces, it is pleasant to have to deal with a much improved state of affairs this year. The provinces experienced another unusually severe winter, and this had a somewhat adverse effect on business. For instance, it increased the cost and lessened the cut of lumber. The cut, it will be remembered, was being in any event intentionally reduced because of a sharp fall in the price of deals. The usual result of this curtailment of product has happily been obtained, and returns for all lumber products are again high, while the prices offered for the next season's cut of spruce deals are almost a record, and the demand for freight space at St. John, N.B., has very greatly increased rates. For fish, prices have been paid which have not been reached before, and results in some kinds of fishing are quite satisfactory. There are, however, details in this important industry which are worth our attention. While the bank and the bay fishing have been equal to the average of the last three seasons, with better prices, the shore fishing, except in lobsters, is nearly ruined by the so-called dog-fish, the predatory incursions of which have almost ruined for the time being the valuable mackerel and herring fisheries. The loss incurred in money is very large indeed, and it is certainly to be hoped that the experiments of the Government, looking to the material decrease of the numbers of dog-fish, may be successful.

The enforcement of the Newfoundland Bait Act, as it applies to United States fishing vessels, is helping the fishermen of the Maritime Provinces as well as of Newfoundland, and the importance of the matter to us makes it an additional

cause for regret that Newfoundland is not in the Confederation. Is it not time for Canada to reconsider the *modus vivendi* arrived at after the rejection by the United States Senate, in 1888, of the Chamberlain-Bayard Treaty? Why should we give United States fishing vessels the very privileges which enable them to undersell us in their markets? We realize that this is a matter which must be viewed broadly if any breadth of view is shown by our neighbours, but we have as yet seen little evidence of that. Canada and Newfoundland together own magnificent fishing areas, large enough to influence greatly the fish markets of the world. As the various countries of the world increase in wealth and purchasing power, the demand for fish, cured in one form or another, must steadily increase. The prosperity of our Atlantic and Pacific provinces depends virtually on the permanence and increased volume of our fisheries. Why should we hesitate to take every step necessary to protect and develop such a national asset? Indeed it is most pleasant to see that the Department of Marine and Fisheries, under the late Minister, has been exhibiting considerable energy in this direction.

The yield of apples was only about 60 per cent. of a normal crop, but prices are high. In hay, from the lack of which last year great loss arose, there was at least a normal, and, in some parts, a very large crop. Produce of almost all kinds has brought good prices, and while there are a few localities where progress has not been made, the general results are excellent. The completion of the Halifax and South-Western Railway should do much for some parts of Nova Scotia. We are able once more to report that the various branches of manufacturing in these provinces have been, as a rule, very profitable, and that in many cases the yearly output has again been the largest known. In some very important industries the orders in hand are particularly large, and the quantity of coal mined has somewhat increased. Perhaps the most gratifying and important industrial fact is the further

improvement in the conditions surrounding the manufacture of iron and steel, and particularly the beginning of the manufacture of rails, the excellent quality of which seems to have been demonstrated at once.

ONTARIO.

To the people of Ontario, as a whole, the year has been one of very general prosperity. The industries of the province, whether on the farm or in the town, the geographical situation, and the conditions of soil and climate, are all so varied that we can hardly have years in which there are no localities which differ in prosperity from the general average. What is clear, however, is that while we have not had a year so good for the farmers as 1903, we have had a very much better year than 1904. Crops of wheat, oats, barley and other grains have varied more than usual in yield in different parts of the province, and in some grains prices have not been as good as last year, but the total result is satisfactory. These crops, except to the extent that they affect the value of cattle fed for the market, are no longer of prime importance. The crop of hay has been heavy in some parts, not so in others, but a good crop as a whole, while pasturage has been abundant almost everywhere. Roots, as a whole, have been unsatisfactory, but this does not apply to sugar beets, which are being grown more extensively each year in several parts of Ontario. Fruit crops have been variable, but shipments of apples from Montreal are larger than in any year except 1903. The total for 1905 from that port is 539,000 barrels, against 348,000 for 1904, and 732,000 for 1903. When we turn to the great farming interest, that of the dairy, the figures become very interesting. Taking, as we should, the results from cheese and butter together, the figures for the past year are almost the largest in the history of shipments from Montreal. The quantity of cheese shipped is about 10 per cent. less than in 1903, and not appreciably more than in 1897, 1902 and 1904, but the average price is so high that 1905 remains the largest in money value except 1903, when

both quantity and average price were the largest ever known. It is in the more lately established export of butter that pronounced gain has been made. The total shipments were 573,449 packages, valued at \$7,400,000. The price is better than last year, but not as good as for several years previous to 1904. The only year which surpasses 1905 in results is 1902, when a somewhat smaller quantity brought a larger sum of money owing to a much higher price. Taking the two articles together, the totals for the last four years, three of which exceed all other years, are as follows :—

1905	\$25,426,000
1904	20,704,000
1903	26,366,000
1902	25,863,000

The other great farming interest of Ontario, that of live stock, is less satisfactory, taken as a whole, than is desirable. Shipments of cattle have been larger than for any year except 1903, when they exceeded the shipments of 1905 by 25 per cent. The business, however, has been unprofitable to both grazier and shipper. The grazier paid too much for the cattle he put on grass, and at present prices feels forced, in many cases, to feed them over the winter in the hope of better prices next spring. The home and United States markets for sheep have been good, and the prices paid in Canada for hogs particularly so. Horses also have been in good demand. The general result of all farming industry in Ontario is shown by larger purchases, and by payments on mortgages, implement notes, and other debts, indicating a most healthy and prosperous condition. In the lumber trade in Ontario there has been a reduction in the cut, as in New Brunswick, but prices for pine and hemlock are about at the highest, and the year has been a prosperous one. While there may, in the coming season, be a still further advance in the cost of production, prices are so high as to ensure a good profit, and unless there is a scarcity of water in the streams, we shall probably have an increased quantity manufactured.

Interest in mining has been stimulated by the publicity given to the discovery in Northern Ontario of rich deposits of silver-nickel-cobalt ores. So far as is yet known, the area in which these ores exist is very limited, all the discoveries of any real value being within about four miles of the new town of Cobalt, where we have recently established a branch. At present nothing definite can be said as to the extent of the deposits, or the probable life of the camp. Comparatively little development has taken place, and to what depth the veins of ore may run is uncertain, although a diamond drill has traced one rich vein to a depth of over 300 feet. But it may safely be said that from the veins already discovered several million dollars worth of ore will be taken, while there is hardly any question but that within the small area which is known to contain the ores, further discoveries will yet be made. A large proportion of the ore produced is of a very refractory nature, and difficulty is being experienced in disposing of it at prices which will give returns for all the valuable constituents. It is to be hoped that before long a satisfactory method of treatment will be made available, and that it will be found practicable to treat the ores within the Province of Ontario.

It is probable that during the coming summer there will be a considerable influx of population into the district surrounding Cobalt, and signs are not wanting that an attempt will be made to create not only a mining but a mining stock boom. Serious losses to the public have in the past resulted from attempts to capitalize mere prospects at prices which only producing mines should command, and it is to be hoped that no encouragement will now be given to any movement of the kind.

In the manufacturing centres, large and small, there is, with scarcely an exception, but one experience, that of continued growth. Factories are still being enlarged, manufacturers in the United States are still opening branch manufacturing establishments in Canada, and in important

businesses, which have an unbroken record of increased sales for several years, further increases of 20 and 25 per cent. are still not uncommon. This growth again is causing, in cities and towns, an unusual activity in building and a great increase in the saleable values of real estate. Such questions as the building of working-men's dwellings are becoming acute, and it is evident that the larger manufacturers may have to do what has already been done occasionally in Canada—build houses for their men. Manufacturers, contractors, and even the class of smaller builders, are, as a rule, behind in deliveries of goods or in work being executed. One of the specially noticeable features is the resumption, on a more stable basis, of the manufacture of steel rails at Sault Ste. Marie. While we are speaking particularly of Ontario, many of these remarks apply to Canada as a whole, and of course much of this activity is the result of the great growth of the West. Unfortunately, we cannot have prosperity, apparently, without a general increase in the cost of everything, and in this connection the cost of building and the consequent cost of house rent should be a matter of great concern. When hard times come, as come they must, there will be a sharp adjustment in some direction, because clearly the wage-earner will not be able to continue to pay such rents as are being paid now by the working-men in our large cities, both in the East and in the West.

The Province of Quebec has shared fully in the general prosperity of Canada and the only reason for not enlarging upon this fact is the absence of branches of this Bank, apart from that in Montreal, and therefore of natural sources of information regarding industrial matters.

In Ontario and Quebec railroad building is proceeding at a pace which marks a new era in transportation in this part of Canada. The Canadian shipping on the lakes is increasing in volume most satisfactorily, while at Montreal there were increases in the number of ocean arrivals and departures, in freight and passenger traffic, in the revenue of the port, and in



VICTORIA, B. C.

local canal traffic. Shipbuilding in Canada is now very active, terminal facilities at Montreal and Quebec are being gradually improved, and in almost every direction progress is evident.

We have had, however, on the St. Lawrence route another season of heavy losses. This must be a matter of very great disappointment to most Canadians who have been indulging the hope that the condition of navigation on the St. Lawrence would, before long, be sufficiently improved to warrant the belief that it is in every way a satisfactory highway. We need not hesitate to say that this is one of the most important points in connection with the development of Canadian transportation. There is little use in spending money and energy in the development of the railway systems of this part of Canada unless we can be sure that the communication by sea is as perfect as it is humanly possible to make it. We believe great improvements are being made and are in contemplation in the way of lighting, and, if there are obstructions to navigation which can be removed, we presume that this will be done, but investigations seem to show that many of the accidents are due solely to the carelessness or incompetency of the pilots. This is a grave charge, and if true no time should be wasted in dealing with it, as well as with any other defects which are capable of remedy. We feel sure that the people of Canada will sustain the Government in practically any expenditure that is necessary in this connection.

NORTH-WEST PROVINCES.

At the moment, Canada, to many people in the United States and Europe, means our three North-West Provinces, and we who live in the East may as well become used to the fact. Having regard to present population, few places are more talked about than Winnipeg. We waited long to come into possession of this country, guarded as it was so carefully from the settler, and in the short time during which we have controlled its destiny, we have struggled hard with the two great problems of settlement—transportation and immigration. It now looks as if we are to have our

reward. Many claims have been made for this part of Canada which fail to take into account the laborious part which man must play in its development and the probability that, being inherently lazy, he will not quite do his best. On the other hand, there have been writers about the North-West whose pessimistic views are obviously the result of holding a brief which calls for the counsel of despair instead of hope. The plain statement of the truth, however, as far as it has been ascertained, is all that the country needs. It is clearly a part of the world where many millions of people may work out their material independence; may, in proportion to their industry and intelligence, become owners of property; and where a larger proportion than is often the case in the world may become actually wealthy.

When in August many were estimating the wheat crop at 90,000,000 to 100,000,000 bushels, we sent to London the estimate of our Winnipeg manager, which was 82,540,000 bushels. For all grains together his estimate was 174,125,000 bushels. The crop has now been harvested and largely marketed, and the revised report of the North-West Grain Dealers' Association at 15th October was as follows:—

				Bushels.	
Wheat,	4,019,000	acres at	21.6	bushels per acre,	86,810,400
Oats,	1,423,000	"	46.6	"	66,311,800
Barley,	433,800	"	31.0	"	13,447,800
Flax,	34,900	"	13.7	"	478,130

A total of 167,048,130 bushels.

The conditions under which the crop was sown, ripened, and harvested, were all more favourable than we have the right to expect every year, and a marked contrast to those of the previous year. Perhaps the most satisfactory feature of the wheat crop is the proportion, said to be as high as 80 to 85 per cent., which is classified as high-grade milling wheat. And it is to be remembered that our wheat, when compared with the wheat similarly graded in the United States, is really so superior to the latter as to put our farmers to some disadvantage in obtaining what their wheat is really worth.

The money value, although seriously affected by the fall in the price of wheat, must, nevertheless, be from \$70,000,000 to \$75,000,000, and to this must be added that of the cattle, hogs, horses, dairy produce, etc. This is not a large sum of money compared with agricultural figures in older parts of the world, but it is a very large sum of money for a country so young in everything which contributes to industrial success. Statistics regarding new countries have much greater significance as indications of the possibilities of the future than as illustrations of the present, and those we submit, regarded in connection with the very small proportion of the available area which has yet been settled, are enough to dispose of doubt as to our ability at some time in the not distant future to supply Great Britain with her requirements in cereals.

When nature is willing to do so much for us it is depressing to consider how badly man often does his part. There is unfortunately no longer any room for doubt that many of the more early settled of the Manitoba farms are decreasing in productive power because the land has been allowed to deteriorate. Farmers who are careless year after year in the selection of seed, who neglect to destroy noxious weeds, who will not consider their land in changing crops from year to year, or protect their crops when being harvested, are simply enemies to the public good, and should, as far as the law permits, be treated as such. If the municipal authorities would carry out the law both as to farmers who allow noxious weeds to grow on their farms, and as to their own road allowances, a change would at once result so great as to show how criminally reckless is the neglect of such a course. We are glad to hear that the Canadian Pacific and the Canadian Northern Railways, working in conjunction with the officers of the Experimental Farms, are sending over their lines special cars filled with samples of grain and of noxious weeds, and in charge of lecturers who will illustrate the advantage of good seed, the best methods of cultivating grain and of exterminating weeds, and the effect of and the loss

in money from diseases of wheat. By far the most interesting fact in grain-growing in the North-West at present is what might be called the discovery that we have great winter wheat areas where until lately we had not even considered that winter wheat could be grown. In 1903 we raised less than 30,000 bushels of winter wheat, while last year the quantity in Alberta is estimated at over 1,500,000 bushels. The highest authorities in the United States are most enthusiastic as to its quality, and as to the value of land which produces such an article of commerce, while in competition with winter wheat from all parts of the United States the best of our varieties carried off the gold medal at the Lewis and Clark Exhibition recently held at Portland, Oregon. To add to the importance of the discovery, this wheat has, thus far in Alberta, been most largely grown in localities which were not by Eastern people included in the wheat but rather in the cattle country. Winter wheat has also been grown successfully in other localities, notably in the Swan River Valley in Northern Manitoba, where, for four years, experiments have demonstrated its success. These two districts are so remote and so different geographically that it is hardly safe to venture a guess as to what we may not hope to accomplish in this very important development.

There has been a large increase in the shipments of cattle to the East and as a whole prices were better than last year. While conditions for the profitable grazing of cattle by farmers are not as favourable as we could wish, there will doubtless be a steady increase in live-stock shipments, and in time this will be a most valuable feature in farming throughout the three provinces. There is a noticeable improvement in the character of the breeding of cattle and horses in several localities, but hogs are not increasing satisfactorily in number; nor are dairying and the smaller adjuncts of good farming, such as raising poultry, obtaining sufficient attention. Our North-Western farmers should not delay too long developing along lines which have been

successful in such States as Iowa, Minnesota and others, especially in view of the deterioration of the land to which we have referred.

In the ranching districts the conditions under which cattle were fattened have varied, being excellent in most parts, and in others, while not bad, still not quite satisfactory. Sales have been larger than last year, prices better, and the industry has prospered. The sale of one of the largest and best-known ranches in Alberta, however, to the authorities of the Mormon Church at a price which means the re-sale of the ranch for farming purposes, is only one of many indications that the future of the large ranch is at least uncertain. There are undoubtedly large areas much more suitable for ranching than for anything else, while other parts of Southern Alberta are destined to be converted into successful farms, growing among other things the best of winter wheat. And in this connection we must not forget the important enterprise of sugar making in Alberta, based entirely on beet crops, grown in that province.

One wonders how many Eastern Canadians realize that there are already in Manitoba alone over 3,000 miles of railway. When we consider what railways have done for Manitoba, we may imagine the intense interest in the new provinces in the building of the Grand Trunk Pacific Railway, which will open up another great stretch of fertile lands; in the entry of the Canadian Northern Railway into Edmonton; and in the proposal of the Canadian Pacific Railway to build from the South-East to the same point. These new provinces, transected by main lines of transcontinental railways, will need rapidly many miles of branch lines, and we may expect great development of this kind.

Saskatchewan and Alberta are each so much larger than Manitoba, and the new settlers are to so much greater an extent going into these new provinces, that it will try our ability to the utmost to keep pace in railways and all other aids to material progress. These new provinces are not

only possessed of great possibilities as producers of grain and cattle, they also contain in large quantities coal, lumber, oil and other natural resources. The fur trade of last year for that part of the Territories north of the new provinces which is tributary to Edmonton, is estimated in value at over a million dollars.

Immigration is now very large, the numbers coming from the United States being still much greater than those from Europe, while the movement of Canadians from the East to the West of Lake Superior is almost half as great as the immigration from the United States. The land sales are so large that the railway, land and colonization companies have materially advanced their prices. In this connection we again draw attention to the wide range of land speculation throughout the West. That men should invest or speculate in land where land is almost the one great asset is inevitable; that farmers should buy and try to hold more land than they can easily cultivate, although they are dependent upon an uncertain labour market, is quite natural under the circumstances; but when an entire community—merchants, manufacturers, farmers, professional men and clerks—is engaged in the effort to increase the price of land, trouble must come sooner or later. There are, of course, many things transpiring which will legitimately advance the market value of land in town and country, but these influences are at the moment probably less powerful than the mere views of a community bent on holding for a rise land for which many have no personal use. Some day or other an uncomfortably large number will wish to sell at the same time, and grievous loss will doubtless result.

Public improvements by municipalities and the erection of buildings of all kinds throughout the three provinces have been proceeding at a remarkable pace. The increase in building during 1904 in Winnipeg seemed to make it improbable that there would be a much further increase in 1905. The buildings erected, however, in 1905 are almost twice as

many as in the previous year, although the aggregate cost is not very much in excess. The supply of houses in Winnipeg seems now about equal to the demand, and it is to be hoped that this will cause some check to building of a speculative character.

The payment of debts is of course materially better than in 1904. It is abundantly evident, however, that people throughout the West have incurred heavy debts for the holding of farm and city property, and but for this and the unsatisfactory crop of 1904 the financial effect of the present crop would have been much more satisfactory. We are glad to notice that throughout the West there is a determination on the part of those extending credit to be much more rigid and careful in future.

BRITISH COLUMBIA.

While the North-Western provinces have had more attention from Eastern Canada and from the outside world during the past year, no province in Canada has had greater prosperity relatively to its immediate possibilities than British Columbia. This huge province, destined probably some day to outstrip all others in wealth, with resources which require literally millions of people for their development, has at present but a handful, as it were, of people. It is so rich in products of both sea and river, valley and mountain—fish, fruit, grain, cattle, timber, coal, and almost all minerals; it is so lovely a country for man to live in; and it can eventually be so largely self-supporting because of its possibilities in producing varieties of food and varieties of manufactures, that no one can doubt as to the character of its industrial future. But the physical and financial problem of British Columbia is by far the most difficult of any of the provinces, and it seems desirable that the other people of Canada should appreciate what the British Columbians have to do. Individually the people of this province are well off, and the growth of the city of Vancouver is as startling as that of Winnipeg, Calgary or Edmonton, but the number of people

in British Columbia is about the same as in the city of Toronto, and a large part is not of white blood. This small body is called upon to make the initial expenditures necessary to render even the earliest conditions of settlement possible. And these initial expenditures mean roads built in one of the most difficult of countries, bridges across great rivers, etc.; indeed, at every point, the first outlay is most costly, especially as compared with that of the prairie provinces. And when communication is made, the individual again has to expend unusual labour and money before he can get any return. The ultimate result of such initial expenditure, if wisely made, is not a matter of doubt, but the difficulties explain why British Columbia grows more slowly in population than we all wish.

The lumber business, depending as it still does mainly on the prairie provinces, has been very satisfactory, as to both volume and price. In coal mining there has been a handsome increase in production of both coal and coke, and several new mines are being opened. There seems to be no reason why these two staple industries should not grow steadily, especially in view of the almost unlimited raw material, until British Columbia takes its place among the great coal and lumber producers of the world. In anticipation of this several large sales of timber limits have recently taken place at good prices, and among the buyers are a good many Americans. Copper mining and smelting are now established and profitable industries. They require large capital and complete technical knowledge, but the results of such a combination seem to be as sure as in other well managed manufacturing businesses. The year's output of the Boundary mining district is about 1,000,000 tons. There is a marked improvement in lead and silver mining and the outlook seems better than for many years.

The cattle ranching business has been fairly good; important movements looking to the growing of fruit on a large scale are being made; irrigation in some dry districts

is being successfully carried on; farming and dairying in the districts where pursued have been profitable, and, generally, all land operations have yielded a good return for labour bestowed thereon. Increase in the value of real estate and activity in building have been as marked as in other parts of Canada, and in Vancouver especially speculation in real estate has reached proportions which promise trouble for some of the investors.

This being the year for the curious quadrennial recurrence of large returns from the Fraser River, salmon fishing in British Columbia has been successful, and the fish have fortunately brought a high market price. The previous three years have been so unsatisfactory that vigorous steps for the preservation of this great industry have become plainly necessary, and we are glad to know that as one of the results from a Commission appointed by the Dominion Government we are likely to have much more attention paid hereafter to the fishing interests of the Pacific than has hitherto been the case. We cannot expect that the next three years will produce satisfactory results, but if arrangements now in contemplation can be completed, the result should be a steady prosecution of efforts at increasing the number of salmon, and, if these are successful, we may in the course of time build up the three lean years of the Fraser River to the level of the fourth year, and we may also improve all other British Columbia salmon rivers. The object is so vitally important to British Columbia that we can only hope that politics will not be allowed in any manner whatever to interfere with the desired result. Salmon fishing is, however, only a small part of the great fishing rights possessed by Canada in the Pacific Ocean, and the rivers running thereto. The supplies of halibut and herring are almost inexhaustible, and there are large quantities of other fish, such as smelts, cod, whiting, etc., but at present the business of fishing is not well organized, nor is there sufficient skill in the community to make the best use of this great natural

source of wealth. It is doubtful if in Eastern Canada and in foreign countries any conception has been formed of the extent and richness of the fishing grounds owned by British Columbia. At the present time the United States fishermen are taking large quantities of halibut, using our ports for refuge in case of storm, and shipping their halibut from Vancouver in bond to the United States. We cannot, of course, interfere with any legal rights they have, but surely, as in the case of the Atlantic fisheries, we ought not positively to aid such a diversion of our natural products. In this connection we should also like to draw attention to the unfortunate effect of the exclusion of Mongolian labour. It was of most noticeable value in connection with both fishing and canning, and the lack of such labour must have a very deterrent effect upon progress in this particular industry.

There has been considerable railroad building in southern British Columbia, and sooner or later large developments must follow the building of the Grand Trunk Pacific Railway across the upper part of the province. The sale of the Esquimalt and Nanaimo Railway to the Canadian Pacific Railway should also have an important effect upon the development of Vancouver Island.

UNITED STATES.

In common with most other portions of North America the Pacific Coast States of Washington, Oregon and California, in all of which we have branches, have enjoyed unusual prosperity during the past year, exceeding in many respects any record in the past.

The wheat crop in Washington has been the largest in its history; the salmon season has been very satisfactory and profitable, both in volume and in price; the lumber business has improved over that of the previous year; the crop of hops is larger than usual, but the great fall in price has made the business unprofitable; the trade with Alaska and the north has been better than for several years; the end of the Eastern war has been followed by a great increase in the trans-Pacific

trade ; preparations are evidently being made for the entrance into Seattle of new transcontinental roads ; and generally the year has been one of the most prosperous in the history of Washington. It would not be wise for any one to venture upon an estimate of the probable effect on Washington of the development of Alaska which is so rapidly going on ; of the trans-Pacific trade now only in its infancy ; and of the development of its own vast resources in timber, and in lands suitable for wheat culture. While the gold which has reached Seattle from the Yukon shows a total of only \$7,861,000 the results from Nome, Tanana, and other sources, bring the total up to \$18,667,000, and it seems clear that, while there must be decreases in various camps, the total is not likely to decrease for some time to come, especially as so little territory has yet been worked by dredges or hydraulics.

We find a similar prosperity in Oregon. The product in lumber was about the same as last year with better prices. The State is said to have in standing timber two hundred and thirty-five billion feet occupying about 54,000 square miles. This must be one of the world's greatest timber reserves. The yield of wheat has increased, with a better outlook for the next crop than for many years past, and flour exports are larger. The results from fishing were excellent, indeed as good as in 1904. Other industries, such as dairying and wool, have done well, while hops, fruit, etc., have had varying success. The total results of all industry have given Oregon a signal year of progress.

California has had some features of an unfavourable kind, but still the year is regarded as the best in the history of the State. The wheat crop was very unsatisfactory, the yield being but about 12,000,000 bushels, against 32,000,000 in 1899. The character of farming in the State is apparently bad and the decline can be only partially attributed to an unfavourable season. The receipts of salmon from Alaska were the largest since 1901. The manufacture of redwood lumber has increased and the total for 1905 is about 340,000,000 feet, as

against 209,000,000 in 1900, each intervening year showing a moderate but steady growth. The receipts of lumber of all kinds at San Francisco for 1905 were 759,000,000 feet, a handsome increase over 1904. The value of the crops of oranges and lemons is about \$40,000,000, as compared with \$30,000,000 in 1904. The crop of grapes for wine, table and raisins, was about three-quarters of an average, but the quality was the best yet known. The trade in canned and green fruits was very large and profitable, stimulated particularly by the poor fruit crops of the Eastern and Middle States. California is steadily increasing in wealth and population, railroad building is proceeding rapidly, shipping is again profitable, while real estate and building both here and in Oregon and Washington are exhibiting the same activity as elsewhere in the United States and Canada.

Considering the United States generally, the conditions are distinctly prosperous. With another great corn crop, this year exceeding two and a half billion bushels, with a wheat crop of about 700,000,000 bushels—only once exceeded before, and about 150,000,000 larger than in 1904—with other grain crops slightly larger, and with a cotton crop of about normal proportions, the basis of a great commerce is established. The exports exceeded a billion and a half of dollars, while the imports for the second time exceeded a billion dollars, these figures leaving an enormous balance of trade in favour of the United States. Their internal trade has been on a greater scale than ever. There is evidence of this in every kind of business activity, but in nothing more clearly than the usual test of expanding trade—that of iron and steel. Almost every blast furnace is in operation, the volume of ore being transported from the mines, and consequently of pig iron manufactured, exceeding all previous experience. This enormous volume of legitimate and profitable trade is unfortunately, but perhaps naturally, accompanied by excessive speculation in securities, with prices which certainly seem perilously high. The country's requirements

for bank loans are very large indeed, and the rates paid for money in New York recently, although only from day to day and for speculative purposes, are a sufficient indication of an over-strained condition. One cannot view without concern such an abnormal state of affairs, and it is to be hoped that the real business interests of the country will not suffer because of the volume and the pace of stock speculation.

Before sitting down I would like to remind gentlemen who are here—and I have said the same thing before—that this Report, which is filled with many dry facts and altogether too many figures, is really not prepared so much for those who are good enough to be present and listen to it, as for the 3,500 Shareholders, and for the customers of the Bank in the various provinces and in the various states to which I have referred. I make this statement because it may seem curious to you that we should be interested in many facts which seem quite local. They are local so far as people in Toronto are concerned, but they are deeply interesting to people in the various sections with which I have dealt.

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

The President.—As we stated in the Report which has been presented to you this morning, we have concluded that it would be well to increase the number of Directors from ten to twelve, and a resolution to that effect will now be proposed. The names of the two gentlemen who will be offered for election, in addition to those at present on the Board, are Mr. H. D. Warren and Mr. B. E. Walker.

It was then moved by Mr. Robert Kilgour, and seconded by Mr. Flavelle:—

That by-law No. 1, adopted by the Shareholders on 18th June, 1901, and amended by them on 14th January, 1902, be amended by substituting the word "twelve" for the word "ten" in the first line of the said by-law.

The President.—As a consequence of the increase in the number of Directors, which you have authorized by the resolution just passed, we now have to ask you to assent to an increase in the remuneration which the Board receives. The annual appropriation at present authorized for this purpose is \$20,000, and with your consent we now propose to increase that amount to \$25,000. It should, however, be understood that we shall not necessarily use at once the whole of this \$25,000, but we thought it well when making an increase to fix that amount as the limit of the sum which might be taken for this purpose.

It was then moved by Mr. J. L. Blaikie and seconded by Mr. John A. Bruce :—

That by-law No. 5, adopted by the Shareholders on 18th June, 1901, be amended by substituting the words “twenty-five” for the word “twenty” in the first line of the said by-law.

In moving the resolution, Mr. Blaikie said :—Very excellent reasons are given in the Report already submitted why this resolution should be adopted. If other reasons are desired, the admirable and exhaustive address to which we have listened this morning will furnish those reasons. It is most desirable that we should have this addition to the Directors, and I am sure the Shareholders of the Bank will never grudge in the smallest measure the little addition which it is proposed to make to the amount for distribution amongst these gentlemen for their services.

Mr. Justice Maclaren.—Mr. President, ladies and gentlemen, the resolution which has been placed in my hands is one which I am sure will find a very hearty acknowledgment at this meeting of Shareholders. The Report of the Directors, the address of the President and the address to which we have just listened from the General Manager, will, I am sure, be well received, not only by those now present, but by all the Shareholders of this Bank. No doubt a kind Providence is responsible for a large part of the prosperity that was so admirably

portrayed in the address of the General Manager, for a large part of the progress in manufactures and in various branches of commerce, and yet I think you can all look to those men who have been at the head of this institution and say that they are responsible for a very large share of the prosperity which has attended this institution. I am sure that in view of the admirable Report which has been presented, we will all join heartily in the resolution. I have, therefore, much pleasure in moving:—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.

The motion was seconded by Mr. N. Silverthorn and carried unanimously.

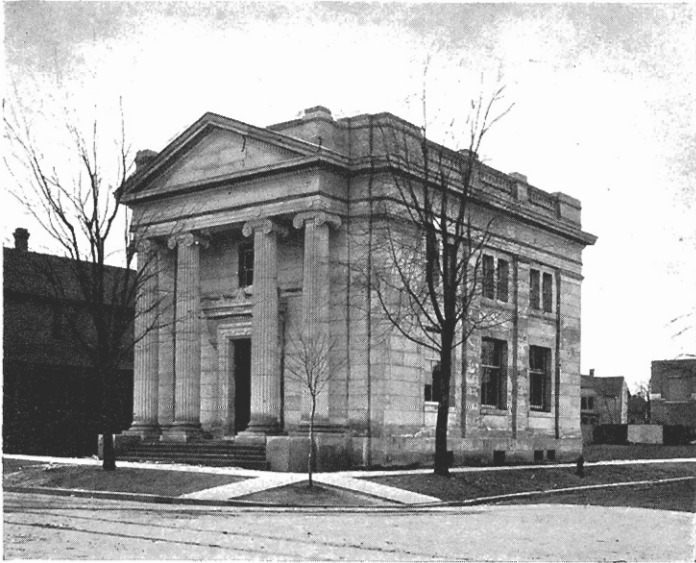
The President.—On behalf of my co-Directors, and for myself I desire to express my thanks and appreciation of the resolution that has been so kindly moved by the Hon. Mr. Justice Maclaren and seconded by Mr. Silverthorn. The fact that the services of the Directors have been appreciated, and that they are able to assist in the direction and progress of this great institution, is a matter of satisfaction to them and to me.

Mr. Henry Beatty then moved :—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.

The motion was seconded by Mr. S. Nordheimer, who said :—Considering the excellent state of the Bank as disclosed by the address of the General Manager, I deem it a very pleasant duty to second this resolution, and not only to second the motion but to congratulate the General Manager, Directors and Shareholders on the wonderful showing of our institution. I have the greatest confidence in the Board and the management of the Bank.

Mr. Walker.—This is the nineteenth time I have responded to this resolution, and yet it gives one rather increasing than diminishing pleasure to do so. Last year and this year we have invited to Toronto a great many managers of the Bank from different parts of Ontario, and it may have seemed rather an innovation last year to ask one of them to respond to this resolution. But, after all, they are the men who are even more deeply concerned than we are. Our staff is now almost a thousand—about 975—stationed at 133 branches, and you may be quite sure that this resolution is each year appreciated by all these men. I will not say anything further regarding it, nor does Mr. Laird wish to say anything, but we have Mr. Gill of Ottawa with us, and I would ask him to say a word to the resolution.

Mr. Gill.—I esteem it a distinction, not only for myself but for that district of the Bank's territory where I am stationed, to be allowed to make some acknowledgment of this very gracious vote of the Shareholders. When a ship reports herself at the dock and the owners come on board, as they have done to-day, and not only congratulate the captain on the good order of the ship but feel disposed to add, "We like the looks of her crew," it is very pleasant for the crew, and so on behalf of the crew of this good ship, The Canadian Bank of Commerce, I beg to return thanks. We have been sailing under full and favouring winds, but we stand ready to trim sails when the call comes. There is perhaps something more in the hearing of a resolution than in reading it in cold print, so that those of us who are privileged to be present to-day will, I am sure, carry back to our respective bailiwicks an impression to spread among the staff that the efforts of each member of it are recognized by the owners as being part of the cause of the general success. I should only like to add that, from my knowledge of the spirit permeating the service of the Bank, I am quite convinced that when the older ones amongst those of the staff present have left the ship the Shareholders will have occasion still to continue this kindly vote. I think this



WALKERVILLE, ONT.

follows from the fact that, so far as I know, there is no institution where the executive have been so thoughtful of the interests and general welfare of the employees. There has always been a feeling that, whatever the decision of the Head Office may be, a kindly consideration has been shown, and that in almost every case generosity goes hand-in-hand with justice. I can assure the Shareholders, and they can accept my word for it, that there is every reason for the best possible feeling throughout the staff. Again we thank you for this very kindly recognition.

It was then moved by Mr. James Crathern and seconded by Hon. L. Melvin Jones :—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 3'oclock 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 current year :—Hon. George 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, H. D. Warren, B. E. Walker.

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.

