

THE CANADIAN BANK OF COMMERCE

CAPITAL PAID-UP	-	-	-	-	-	\$10,000,000
REST	-	-	-	-	-	\$5,000,000

DIRECTORS :

B. E. WALKER, ESQ.	PRESIDENT.
ROBERT KILGOUR, ESQ.,	VICE-PRESIDENT.
HON. GEO. A. COX.	HON. L. MELVIN JONES.
MATTHEW LEGGAT, ESQ.	FREDERIC NICHOLLS, ESQ.
JAMES CRATHERN, ESQ.	H. D. WARREN, ESQ.
JOHN HOSKIN, ESQ., K.C., LL.D.	HON. W. C. EDWARDS.
JOSEPH W. FLAVELLE, ESQ.	Z. A. LASH, ESQ., K.C.
A. KINGMAN, ESQ.	E. R. WOOD, 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.

CHARLOTTETOWN BOARD :

WM. WEEKS, ESQ.,	Chairman.
F. R. HEARTZ, ESQ.	A. PETERS, ESQ.
J. S. HINTON, ESQ.	A. P. PROWSE, ESQ.

HEAD OFFICE: TORONTO

B. E. WALKER - President	
ALEXANDER LAIRD General Manager	A. H. IRELAND Superintendent of Branches
H. H. MORRIS Supt. of Pacific Coast Branches	V. C. BROWN Chief Inspector
F. G. JEMMETT, Secretary	
T. F. ASPDEN J. P. BELL WM. HOGG	} Assistant Inspectors

BRANCHES AND AGENCIES

PACIFIC SLOPE AND YUKON—

ATLIN.....	J. A. SMITH	Manager.
CRANBROOK.....	F. C. MALPAS.....	“
DAWSON.....	G. M. GIBBS	“
FERNIE	G. S. HOLT	“
GREENWOOD.....	J. T. BEATTIE	Act. Mgr.
KAMLOOPS.....	C. W. HALIAMORE.....	Manager.
LADYSMITH.....	“
NANAIMO.....	E. H. BIRD	“
NELSON.....	J. L. BUCHAN.....	“
NEW WESTMINSTER.....	H. R. DAVIDSON.....	“
PENTICTON.....	J. M. CHRISTIE.....	“
PRINCETON.....	A. E. P. JACKSON.....	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.....	“

WESTERN PROVINCES—

BAWLIF.....	W. H. HARRISON.....	Manager.
BRANDON.....	A. MAYBEE.....	“
CALGARY.....	C. W. ROWLEY.....	“
CANORA	G. G. BOURNE.....	“
CARMAN	D. MCLENNAN	“
CLARESHOLM	W. A. CORNWALL.....	“
CROSSFIELD.....	JAMES CAMERON	“
DAUPHIN	D. H. DOWNIE.....	“
EDMONTON.....	T. M. TURNBULL	“
ELGIN.....	H. B. HAINES.....	“
ELKHORN.....	R. H. BROTHERHOOD..	“
GILBERT PLAINS.....	E. J. MEEK	“
GLEICHEN.....	F. J. TURNER.....	Act. Mgr.
GRANDVIEW	A. B. STENNETT	Manager.
HIGH RIVER	C. R. W. POOLEY.....	“
HUMBOLDT.....	F. C. WRIGHT	“
INNISFAIL.....	H. L. EDMONDS	“
INNISFREE	W. P. PERKINS	“

BRANCHES AND AGENCIES—Continued.

KAMSACK.....	G. G. BOURNE.....	Manager.
KINISTINO.....	E. R. JARVIS.....	"
LANGHAM.....	W. J. SAVAGE.....	"
LASHBURN.....	S. M. DALY.....	"
LEAVINGS.....	THOMAS ANDREWS.....	"
LETHBRIDGE.....	C. G. K. NOURSE.....	"
LLOYDMINSTER.....	S. M. DALY.....	"
MACLEOD.....	H. M. STEWART.....	"
MEDICINE HAT.....	F. L. CRAWFORD.....	"
MELFORT.....	E. R. JARVIS.....	"
MOOSEJAW.....	E. M. SAUNDERS.....	"
MOOSOMIN.....	D. I. FORBES.....	"
NANTON.....	C. F. A. GREGORY.....	"
NEEPAWA.....	C. BALLARD.....	"
NORTH BATTLEFORD.....	A. S. HOUSTON.....	"
NORWOOD.....	"
PINCHER CREEK.....	W. G. LYNCH.....	"
PONOKA.....	E. A. FOX.....	"
PORTAGE LA PRAIRIE.....	A. L. HAMILTON.....	"
PRINCE ALBERT.....	C. D. NEVILL.....	"
RADISSON.....	C. DICKINSON.....	"
RED DEER.....	D. M. SANSON.....	"
REGINA.....	HY. F. MYTTON.....	"
SASKATOON.....	W. P. KIRKPATRICK.....	"
STAVELY.....	THOMAS ANDREWS.....	"
STONY PLAIN.....	C. S. FREEMAN.....	Act. Mgr.
STRATHCONA.....	G. W. MARRIOTT.....	Manager.
SWAN RIVER.....	F. J. MACCOUN.....	"
TREHERNE.....	J. S. MUNRO.....	"
VEGREVILLE.....	W. P. PERKINS.....	"
VERMILION.....	A. C. BROWN.....	"
VONDA.....	J. C. KENNEDY.....	"
WADENA.....	A. L. JENSEN.....	Act. Mgr.
WATSON.....	W. E. D. FARMER.....	"
WETASKIWIN.....	H. I. MILLAR.....	Manager.
WEYBURN.....	J. D. BELL.....	"
WINNIPEG.....	{ JOHN AIRD.....	"
	{ R. A. RUMSEY.....	Asst. Mgr
Do.	ALEXANDER AVE. T. S. STRATHAIRN.....	Manager.
Do.	BLAKE STREET .. A. B. IRVINE.....	"
Do.	FORT ROUGE.... H. L. WETHEY.....	"
Do.	LOUISE BRIDGE .. A. S. SWINFORD.....	"

BRANCHES AND AGENCIES—Continued.

WINNIPEG NORTH	H. W. TRENHOLME	Manager.
Do. PORTAGE AVENUE	G. M. PATTERSON	"
Do. ROSS AVENUE	A. B. IRVINE	"
YELLOWGRASS	C. HENSLEY	"

ONTARIO AND QUEBEC—

AYR	H. M. LAY	Manager.
BARRIE	H. J. GRASETT	"
BELLEVILLE	C. M. STORK	"
BERLIN	G. M. WEDD	"
BLENHEIM	W. H. LUGSDIN	"
BRANTFORD	H. W. FITTON	"
CAYUGA	J. L. BARNUM	"
CHATHAM	JAMES SIMON	"
COBALT	S. H. LOGAN	"
COLLINGWOOD	R. W. CROMPTON	"
DE LORIMIER	H. G. PANGMAN	Act. Mgr.
DRESDEN	J. MCE. MURRAY	Manager.
DUNDAS	F. C. G. MINTY	"
DUNNVILLE	R. T. MUSSEN	"
FORT FRANCES	F. M. GIBSON	"
FORT WILLIAM	A. F. TURNER	Act. Mgr.
GALT	C. E. A. DOWLER	Manager.
GODERICH	R. S. WILLIAMS	"
GUELPH	J. M. DUFF	"
HAMILTON	D. B. DEWAR	"
KINGSTON	P. C. STEVENSON	"
LATCHFORD	W. H. COLLINS	"
LINDSAY	W. C. T. MORSON	"
LONDON	JEFFERY HALE	"
MONTREAL	{ F. H. MATHEWSON	"
	{ C. D. MACKINTOSH	Asst. Mgr.
Do. WEST END	H. B. PARSONS	Manager.
ORANGEVILLE	E. C. COMPLIN	"
OTTAWA	ROBERT GILL	"
Do. BANK STREET	C. R. ARMSTRONG	"
PARIS	R. C. MACPHERSON	"
PARKHILL	T. L. ROGERS	"
PARRY SOUND	E. M. LOCKIE	"
PETERBORO	D. HUGHES CHARLES	"
PORT ARTHUR	A. W. ROBARTS	"
PORT PERRY	A. G. VERCHÈRE	"

BRANCHES AND AGENCIES—Continued.

QUEBEC	W. H. DUNSFORD.....	Manager.
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.....	M. MORRIS.....	"
	C. CAMBIE.....	Asst. Mgr.
BLOOR AND YONGE	JAMES BRYDON.....	Manager.
MARKET.....	T. A. CHISHOLM.....	"
PARKDALE.....	W. A. COOKE.....	"
PARLIAMENT	A. H. CREASE.....	"
QUEEN AND BATHURST.....	E. M. PLAYTER	"
QUEEN EAST	J. M. HEDLEY.....	"
SPADINA AND COLLEGE.....	H. F. D. SEWELL.....	"
YONGE AND COLLEGE.....	G. C. T. PEMBERTON ..	"
YONGE AND QUEEN.....	ROBERT CASSELS.....	"
TORONTO JUNCTION	GEO. LYDE.....	"
WALKERTON	G. A. HOLLAND.....	"
WALKERVILLE.....	A. W. RIDOUT.....	"
WATERLOO.....	J. MOORMAN.....	"
WIARTON.....	J. J. ACRES.....	"
WINDSOR.....	E. P. GOWER	"
WINGHAM	A. E. SMITH.....	"
WOODSTOCK.....	G. W. MCKEE.....	"

MARITIME PROVINCES—

ALBERTON.....	W. R. MCKIE.....	Manager.
AMHERST.....	J. H. MORRISON.....	"
ANTIGONISH.....	J. H. MCQUAID.....	"
BARRINGTON.....	F. W. HOMER.....	"
BRIDGEWATER.....	H. C. DUNCAN.....	"
CHARLOTTETOWN.....	J. M. DAVISON.....	"
HALIFAX	D. MACGILLIVRAY.....	"
MIDDLETON	S. N. MOFFAT.....	"
MONTAGUE.....	H. H. LOWE.....	"
NEW GLASGOW	B. DEVEBER.....	"
PARRSBORO	E. G. SHANNON.....	"
ST. JOHN.....	J. G. TAYLOR.....	"

BRANCHES AND AGENCIES—Continued.

SHELburnE.....	T. W. MAGEE.....	Manager.
SOURIS.....	G. W. SUTHERLAND...	“
SPRINGHILL.....	E. B. FAIRBANKS.....	“
SUMMERSIDE.....	H. A. HOLMES.....	“
SYDNEY.....	E. B. IRELAND.....	“
TRURO.....	H. JEMMETT.....	“
WINDSOR.....	J. A. RUSSELL.....	“

UNITED STATES—

NEW YORK.....	{ WM. GRAY.....	} Agents.
	{ H. B. WALKER.....	
PORTLAND, OREGON.....	E. A. WYLD.....	Manager.
SAN FRANCISCO.....	{ A. KAINS.....	} “
	{ G. W. B. HEATHCOTE..	
Do. VAN NESS AND EDDY.	A. KAINS.....	Manager.
SEATTLE.....	G. V. HOLV.....	“
SKAGWAY.....	D. ROSS.....	“

GREAT BRITAIN—

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

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; ALBANY—The New York State National Bank; BOSTON—The Bank of Nova Scotia, The National Shawmut Bank; BUFFALO—The Bank of Buffalo; CHICAGO—The First National Bank, The Northern Trust Company; CLEVELAND—The First National Bank; DENVER—The First National Bank; DETROIT—The People's State Bank, The Commercial National Bank; KANSAS CITY—The National Bank of Commerce; MINNEAPOLIS—The North-Western National Bank; NEW ORLEANS—The Commercial National Bank; PITTSBURG—The Mellon National Bank; SALT LAKE CITY—The Deseret National Bank; SPOKANE—The Traders 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, 1906.

LIABILITIES

Notes of the Bank in circulation.....	\$ 9,199,204 68
Deposits not bearing interest.....	\$22,626,899 72
Deposits bearing interest, including interest accrued to date	64,525,637 10
	87,152,536 82
Balances due to other Banks in Canada	177,623 57
Balances due to Agents in Great Britain	398,781 58
Balances due to other Banks in foreign countries.....	1,063,750 89
Dividends unpaid	500 94
Dividend No. 79, payable 1st December	350,000 00
Bonus of One per cent., payable 1st December	100,000 00
Capital paid up.....	\$10,000,000 00
Rest.....	5,000,000 00
Balance of Profit and Loss Account carried forward	103,562 43
	15,103,562 43
	\$113,545,960 91

ASSETS

Coin and Bullion	\$4,041,456 76
Dominion Notes	5,935,008 25
	\$ 9,976,465 01
Deposit with Dominion Government for security of Note circulation.....	427,450 00
Notes of and Cheques on other Banks.....	4,361,228 07
Balances due by other Banks in Canada	38,986 50
Balances due by Agents of the Bank and other Banks in foreign countries.....	2,460,680 49
Government Bonds, Municipal and other Securities	6,201,456 95
Call and Short Loans.....	9,001,395 08
	\$32,467,662 10
Other Current Loans and Discounts.....	79,303,228 33
Overdue Debts (loss fully provided for)	125,812 19
Real Estate (other than Bank Premises)	89,472 14
Mortgages	37,336 63
Bank Premises.....	1,300,000 00
Other Assets.....	222,449 52
	\$113,545,960 91

B. E. WALKER,
General Manager.

THE CANADIAN BANK OF COMMERCE

REPORT OF THE PROCEEDINGS

OF

THE ANNUAL MEETING OF SHAREHOLDERS

TUESDAY, 8TH JANUARY, 1907.

The fortieth Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking-house on Tuesday, 8th January, 1907, at 12 o'clock.

Among those present were:—

William Cook, Carrville; John A. Bruce, Hamilton; Thomas Gilmour, F. C. Bruce, Hamilton; William Davidson, W. C. T. Morson, Lindsay; E. G. Shannon, Parrsboro; J. A. Russell, Windsor, N.S.; D. Archer, Churchville; Henry Beatty, Thomas West, J. L. Blaikie, E. W. Cox, H. L. Watt, L. H. Baldwin, Rev. Dr. Somerville, H. C. Cox, William Davies, Hon. S. H. Blake, Z. A. Lash, K.C., S. Morley Wickett, J. L. Watt, R. A. Rumsey, Winnipeg; R. Cassels, J. J. Acres, Wiarton; G. C. T. Pemberton, D. McLennan, Carman; J. M. Hedley, S. H. Logan, Cobalt; F. H. Bissett, R. Harmer, D. B. Dewar, Hamilton; J. O. Thorn, George Murray, Toronto Junction; W. Murray Alexander, William Garside, R. J. Montgomery, William Mackenzie, James Hedley, C. Cambie, E. C. Complin, Orangeville; M. Morris, D. B. Hanna, F. J. D. Smith, Newtonbrook; W. A. Murray, Montreal; Alexander Bruce, W. B. Meikle,

Mrs. F. J. D. Smith, Newtonbrook ; Hon. Geo. A. Cox, N. Silverthorn, Summerville ; C. E. Goad, Robert Kilgour, C. S. Gzowski, E. M. Lockie, Parry Sound ; G. F. Beer, M. Leggat, Hamilton ; Charles Bonnick, Thos. Walmsley, W. H. Lockhart Gordon, John Hoskin, K.C., LL.D., James Crathern, Montreal ; F. G. H. Williams, Geo. J. Foy, L. J. Cosgrave, Alex. Buntin, W. T. White, J. W. Flavelle, C. M. Stork, Belleville ; Dr. Andrew Smith, J. S. Lovell, W. Glenney, Oshawa ; A. Kingman, Montreal ; G. A. Morrow, J. Moorman, Waterloo ; Hon. L. Melvin Jones, Wm. Craig, Richard Brown, Frederic Nicholls, C. E. Howitt, Guelph ; C. M. Gripton, St. Catharines ; H. D. Warren, Æ. Jarvis, Mrs. E. J. Gripton, St. Catharines ; W. T. Boyd, Bobcaygeon ; F. H. Mathewson, Montreal ; R. C. Carlyle, W. G. Carlyle, Hon. W. C. Edwards, Rockland ; C. Mulock, W. N. Keefer, R. Mulholland, G. F. Little, S. Nordheimer, A. W. Smith, R. Gill, Ottawa ; J. H. Haslam, Regina ; A. H. Campbell, Jr.

The President, Hon. George A. Cox, having taken the chair, Mr. F. G. Jemmett was appointed to act as Secretary, and Messrs. Æmilius Jarvis 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 fortieth Annual Report, covering the year ending 30th November, 1906, together with the usual Statement of Assets and Liabilities.

The balance at credit of Profit and Loss Account brought forward from last year was...	\$ 58,871 76
Net profits for the year ending 30th November, after providing for all bad and doubtful debts, amounted to.....	1,741,125 40
	<u>\$1,799,997 16</u>

Which has been appropriated as follows:—

Dividends Nos. 78 and 79, at seven per cent. per annum	\$ 700,000 00
Bonus of one per cent.	100,000 00
Written off Bank Premises	341,434 73
Transferred to Pension Fund (annual contribu- tion)	30,000 00
Subscription to San Francisco Relief Fund.	25,000 00
Transferred to Rest Account.	500,000 00
Balance carried forward.	103,562 43
	<u>\$1,799,997 16</u>

The entire assets of the Bank have as usual been carefully revalued, and ample provision has been made for all bad and doubtful debts.

Last year we were able to show earnings which were the largest in the history of the Bank. This year we have again made satisfactory progress, our net earnings amounting to \$1,741,125.40, or about \$370,000 more than last year. In view of these handsome profits, your Directors decided that the time had come to increase the annual distribution to the Shareholders, and, in addition to the usual dividend at the rate of seven per cent. per annum, they have declared a bonus of one per cent., making a total distribution of eight per cent. for the past year. After providing for this increased distribution and for the annual contribution to the Pension Fund, we have been able to write \$341,434.73 off Bank Premises and to add \$500,000 to the Rest, which now stands at \$5,000,000, or 50 per cent. of the Paid-up Capital.

In April last a terrible calamity overtook the city of San Francisco, where we have a large and important business. Having regard to our long connection with San Francisco through the Bank of British Columbia, your Directors thought it only fitting that we should express in a tangible manner our sympathy with the sufferers, and they accordingly voted \$25,000 as a contribution to the Relief Fund.

In accordance with an agreement made in the early part of the year, this Bank took over, as on the 1st of June last, the business of the Merchants Bank of Prince Edward Island, which gave us new branches at Charlottetown, Summerside, Alberton, Montague and Souris, all in Prince Edward Island. The branch which that Bank had at Sydney was amalgamated with our own branch there. The six months' experience which we have had with our new business gives us every reason to be satisfied with the purchase.

In addition to the offices thus acquired the Bank has opened during the year new branches at the following points: in Alberta, at Bawlf, Crossfield, Gleichen, Leavings, Stavely, Stony Plain, Strathcona and Wetaskiwin; in Saskatchewan, at Canora, Humboldt, Kamsack, Langham, Lashburn, Radisson, Vonda, Wadena, Watson and Weyburn; in Manitoba, at Norwood, and at Alexander Avenue, at Blake Street and at Fort Rouge, Winnipeg; in Ontario, at Fort William, Kingston, Latchford, Lindsay, Ottawa (Bank Street), Parry Sound, and Wingham, and at Parkdale and at 197 Yonge Street, in the City of Toronto; in Quebec, at West End, Montreal, and in the City of Quebec; in the United States, at the corner of Van Ness and Eddy Streets, San Francisco. The branches at Sackville, N.B., and Canning and Lunenburg, N.S., have been closed. Since the close of the Bank's year, branches have been opened at De Lorimier, Que., and Innisfree, Alta.

It is with deep regret that your Directors record the death of their late colleague, Mr. W. B. Hamilton, who for nearly twenty-two years had been a Director of the Bank. Until his health began to fail Mr. Hamilton was rarely absent from the meetings of the Board, where his long experience in business made him at all times a wise and prudent counsellor. To fill the vacancy the Directors elected the Hon. W. C. Edwards, of Rockland.

An amendment to the By-laws will be submitted for your approval, increasing the number of Directors from twelve to fourteen.

In accordance with our long established practice, the branches and agencies in Canada, the United States and Great Britain, and the various departments of the Head Office 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.

GEORGE A. COX,

TORONTO, 8th January, 1907.

President.

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

PRESIDENT'S ADDRESS.

The statements of the Bank which have been laid before you are, as you will realize, the best in its history. A year ago we expressed the fear that the profit of about 14 per cent. on the capital might not be repeated, but we now come before you with a statement showing a profit of $17\frac{4}{10}$ per cent. It is perhaps needless to say again that the circumstances under which these profits have been made are exceptional, and that we must not be disappointed if in subsequent years a lower percentage is earned. These profits have enabled us to distribute in addition to the usual dividend of 7 per cent., a bonus of 1 per cent., making the entire dividend at the rate of 8 per cent. per annum. We hope to maintain the rate of 8 per cent. per annum, and to pay the dividends quarterly.

During the year our deposits have increased nearly \$13,000,000, and while some of them are of a temporary character, the growth is very gratifying indeed. About \$1,000,000 of the increase consists of deposits taken over with the Merchants Bank of Prince Edward Island. Owing to the activity of business throughout Canada, our loans show slightly more than a corresponding increase.

THE CANADIAN BANK OF COMMERCE.

By the purchase of the Merchants Bank of Prince Edward Island, and by the opening of new branches in various towns and cities throughout Canada, we have increased the number of branches from 130 to 166.

You will observe that we are reporting a gift of \$25,000 to the sufferers in San Francisco. I am confident that we may safely count upon your concurrence in this, especially when I tell you that we have passed through this terrible disaster without any loss whatever arising from the Bank's large business in that city.

As this is the 40th Annual Meeting of the Bank, and as it is practically 20 years since the beginning of its present administration, a few figures comparing the position as at the annual meeting in June, 1887, with the close of the present year, may be interesting. In that time the paid-up capital has been increased from \$6,000,000 to \$10,000,000; the Rest or surplus account from \$500,000 to \$5,000,000. The net profits in 1887 were \$606,715 as compared with \$1,741,125 for 1906. The notes in circulation have risen from \$2,390,732 to \$9,199,204; the total deposits from \$9,985,040 to \$87,152,536; the current loans from \$15,381,180 to \$88,304,623; and the total assets from \$19,574,094 to \$113,545,960. In 1887 we had thirty-three branches in Ontario, one in Montreal and one in New York. At the close of the present year we have branches as follows: Ontario 58; Quebec 3; Nova Scotia 13; New Brunswick 1; Prince Edward Island 5; Manitoba 20; Saskatchewan 20; Alberta 22; British Columbia 15; Yukon 2; United States 6; London, England, 1; in all, 166, against 35 in 1887. Perhaps it is not too much to say that this is an exhibition of growth and of prosperity with which the Shareholders may well feel satisfied.

We have again drawn largely on profits for expenditures on Bank Premises account, and a statement of our policy in this matter will be of interest to you. In all the larger cities it is important that the Bank should have quarters in keeping with its standing, and the necessity for owning our buildings



WIARTON, ONT.

at such points will be readily appreciated. But a creditable office is also a matter of importance at country points, and a proper regard for the comfort of the staff has furnished an additional reason for the extension to these places of the policy of ownership of buildings. At very few of the smaller towns is good living accommodation readily obtainable, and consequently our young men were usually forced to live at hotels and to spend a good many of their evenings in undesirable surroundings. This fact led to our adopting the practice of providing the staff with apartments over the Bank, and suitable accommodation of this kind was as a rule impossible to obtain in rented premises. A considerable number of buildings have been erected during the past three or four years, and as new branches are opened we are endeavouring to acquire sites and are proceeding to build. Our policy in this matter has resulted in a generous treatment of the staff, and it has contributed in an important degree to strengthen the spirit of contentment and loyalty which prevails so generally among our officers. In this way the Bank is, we think, amply compensated for the expenditure.

The annual outlay necessitated in these building operations is larger than we could reasonably ask the Shareholders to provide for wholly out of present profits, and with a view to lessen the immediate charge, as well as incidentally to have our building operations conducted under an efficient organization, a company has been formed under the name of the Dominion Realty Company, Limited, which constructs and owns our smaller buildings. This company provides a certain percentage of the total cost of the land and buildings which it acquires and leases to the Bank, by issues of bonds which are readily saleable to outside investors without any liability, direct or indirect, on the part of the Bank other than for the payment of the rentals called for by the leases. These rentals, while on a reasonable basis as regards each individual branch, are sufficient to retire the bonds in fifteen years. The remainder of the cost of the properties is provided by the

Bank purchasing shares in the Realty Company, the cost of the same being entirely written off as shown below.

Our investment as shown in the Bank Premises account is now \$1,300,000, but this is represented by value as follows:—

Lands and buildings owned by the Bank (carefully revalued in 1906 and allowance made for depreciation of buildings)	\$1,951,600
Safes and fixtures (depreciation liberally allowed for)	478,200
Dominion Realty Company shares representing a cash investment of	600,000
	<u>\$ 3,029,800</u>

The increase of \$300,000 in Bank Premises account during the past year is attributable to a purchase of property in Montreal on which it is intended to commence the erection of a building in 1907. The cost of this building and of one already commenced at Vancouver will necessitate a further increase in the amount set against Bank Premises in the balance sheet.

And now, with your kind permission, I desire to make a few personal remarks. During the past five years I have, from time to time, intimated to my colleagues on this and other Boards, and have been promising the members of my family and my friends that I would to a large extent discontinue what has been perhaps the too strenuous life I have been living for a good many years past; and having now completed my fifty-first year of active business, I think the time has come when I owe it to myself to carry out these promises and to consult my own inclination by retiring during the next few months from a number of positions which I feel can now be better filled by younger and more energetic men. I do this not only out of regard to my family and myself, but also in justice to those who are so much entitled and so well qualified to succeed me in the several positions which I propose to vacate in the different corporations with which I have been identified for so many years.

First in importance among these is the Presidency of The Canadian Bank of Commerce, and in announcing to you my intention of retiring from this office, with which I have been so long honoured by your Directors, you will allow me to recall that it is now twenty-one years since, in 1886, I became a Director of the Bank. At that time the total assets were not very much more than the increase in our assets as reported for the year just closed. In the course of these twenty-one years I have had the honour to occupy the Vice-President's chair for two years, and the President's chair for seventeen years. Throughout that period it has been my good fortune to have been associated with a most able and influential Board of Directors, and a staff of officers of whose ability, integrity and devotion to the interests of the Bank it may be truthfully said that no institution has ever been better served. I am sure you will all appreciate with what increasing pride and satisfaction I have watched the rapid growth of our resources, and the constantly increasing aid which we have been able to render to the prosperity and development of our country.

After so long and intimate an identification with the Bank, I feel that it would not be natural for me to sever wholly my connection with its affairs. While retiring, therefore, from the more onerous and more responsible position of President, it will give me much pleasure, should the Shareholders so decide, to retain my seat on the Board of Directors, and thus to assist in some measure in securing for the Bank the continued growth and prosperity which await it, and which I venture to predict will be greater in the next ten years than it has been in the last twenty.

Before closing my remarks, let me say that if the present Board should be re-elected, it will afford me much pleasure, with the very cordial and kind concurrence of our highly respected Vice-President, Mr. Kilgour, to propose as my successor in the Presidency our esteemed General Manager, Mr. B. E. Walker, who has filled the latter position since 1886

with so much advantage to the Shareholders, with so much satisfaction to the Directors and with so much credit to himself. It is indeed to his able and untiring efforts, and to the valuable assistance and co-operation he has had from his immediate associates in the general management, and from the various managers and other members of the staff, that our Shareholders are indebted for the magnificent growth of our business, and the high standing attained by the Bank during his term of office.

The General Manager then spoke as follows :—

GENERAL MANAGER'S ADDRESS.

Before reading my report I may be excused if I say a few words personally. This is not the time for me to make any reference to what the President has said regarding myself, but I cannot let the opportunity pass of making some remarks regarding Senator Cox. It has been, I think, significant of his breadth of mind that he should have realized two things within the last few years—one, that a time was coming when in the natural course of things it would be wise to be relieved of some of his heavy duties ; and another, and I can assure you in my belief the primary thought in his mind, is the desire to do a magnanimous and graceful act by stepping aside and enabling the gentleman who has served you so long as General Manager to take his place. This was a thing proposed by Mr. Cox himself two or three years ago. It came as a great surprise to me, and I should, I think, be very lacking in my duty to the Shareholders if I did not express the fact that this generous act is entirely one of his own volition. Apart from that, I think the Shareholders are to be congratulated that they have in their President, Senator Cox, a man unselfish enough to consider the true interest of this Bank sufficiently to be willing, after vacating such an honourable position, to remain on the Board as an ordinary Director. By such an arrangement we do not lose the advantage of his ability and of all the relations which have existed for twenty years between himself and the other Directors, particularly between himself and myself.

We do not need to remind you that the year which has just closed was even more remarkable for volume of business and general prosperity than the year preceding it, or, indeed, than any year in our history. It is unfortunate that we cannot estimate our internal trade, but we have been able to see in every direction a pressure to meet the demand for goods put upon manufacturers, merchants and transportation companies, such as we have never experienced before, while the shortage in cars and motive power, notwithstanding unparalleled increases of rolling stock, has seriously interfered with the crop movement and the general distribution of merchandise. Our foreign trade has again increased largely, the total for the fiscal year being \$550,854,000. The imports of \$294,267,000 exceed the exports of \$256,587,000 by \$37,680,000. In the previous year with a total foreign trade of \$470,151,000 our excess of imports was \$63,517,000, owing somewhat to lighter crops in 1904. We have also improved upon the excess of imports in 1904, which was \$45,690,000. The bank clearings in Canada show as follows: for 1905, eleven clearing houses, \$3,336,602,170; for 1906, thirteen clearing houses, \$4,014,564,518.

While we are enjoying an extraordinary prosperity, there are signs about us of a strain which must bring trouble if they are disregarded. We are a borrowing country, and we cannot be reminded of this too often. As we fix capital in new structures, public or private, railways, buildings, etc., someone must find the capital in excess of what we can ourselves provide out of the saleable products of our labour. The number of countries willing to buy our securities has been steadily increasing, but we must not be blind, as we sometimes seem to be, to the fact that our power to build depends largely on whether these countries have surplus capital to invest. By means of the cable the trading nations of the world have been brought very near together, and while many local panics have thus been averted, and the adjustment of capital to the

world's needs has been greatly improved, still for the same reason world-wide trouble in the money markets sometimes arises with a suddenness which is alarming to those at least who are not watching for the signs. We are passing through such a period just now, happily without a general break-down, but unless we mend our ways we are not likely to escape a similar or still worse condition next autumn which may wreck our fair prosperity. Europe is bearing the enormous cost of two great wars, both in the loss of capital actually destroyed and also in the loss to individuals from the decline in the values of the national securities of the countries interested in the wars. And since these wars, losses on an unexampled scale have occurred by earthquakes and fire. The volume of trade and the unusual amount of building in many countries have at the same time vastly increased the amount of capital required. This has been accompanied by a steady rise in prices throughout the world, and by a most pronounced and widespread advance in the scale of personal expenditure. It is true that it has also been accompanied by the greatest production of gold and of other commodities, but the effect of the various influences has naturally been to put upon the money markets a strain which has only just failed to cause a general break-down of credit. To make the outlook still more serious, the United States, and other less important countries, including Canada, contemplate expenditures on a very large scale for railway and other building. This then is a time for every prudent man to survey carefully his financial position. If he has debts he should consider how he will pay them if he should have to face world-wide stringency in money. Has he assets which the world needs for daily use, or assets which will sell only when the sun is shining? If he is happily in easy condition as to debt, he will, if he be wise, consider every circumstance arising in his business which tends towards debt instead of towards liquidation. As for those who are plunging in real estate at inflated prices and

in mining stocks, nothing, we presume, but the inevitable collapse which follows these seasons of mania will do any good.

We have had during the year an event fortunately rather rare, the failure of a long-established financial institution, the Ontario Bank. Although the information as to its critical position reached us, in common with most of the Toronto banks, only on the day on which it had been practically determined that the bank must suspend the next morning, it was still possible by the prompt initiative of the Toronto banks to bring about in the few hours which remained, an arrangement under which no delay or loss could be experienced by the creditors of the bank. Various banks gave to the Bank of Montreal a guarantee which in the event of the affairs of the Ontario Bank being liquidated by the Bank of Montreal with open doors and in accordance with the arrangement, would protect that bank against loss, if the total assets, including the double liability, should prove insufficient to meet the debts. For the purposes of this arrangement the Bank of Montreal itself is one of the guarantors. Any liability under the guarantee will be borne in proportion to the capital of the guaranteeing banks, with a maximum in our case of \$400,000. As the General Manager of the Bank of Montreal recently said, it is not likely that any call will have to be made on the guarantors. The failure is accompanied by circumstances which are extremely disgraceful, and although it was possible to afford prompt protection to all creditors, the shareholders will suffer a heavy loss.

From one end of Canada to the other there is a scarcity of labour, skilled and unskilled. More than anything else, this country needs immigration. Not merely to put men and women on the land, but to fill every calling which should be open to labour. A large majority of housekeepers in the West are either without domestic servants, or are inadequately supplied, farm labourers are in demand everywhere, an army of unskilled labourers is needed for railroad and other work,

and good workmanship in most trades is difficult to obtain because workmen without the necessary training have been employed in the absence of sufficiently skilled men. In addition to this, we have had several important strikes, causing, in the case of those connected with coal mining, a most distressing paralysis of business and of domestic comfort because of the consequent short supply of coal.

The amount of building going on may be judged by the figures for Montreal, Toronto, Vancouver and Winnipeg combined. The number of permits issued was 10,273 against 8,125 for 1905, while the value of buildings erected was \$37,495,786 against \$28,703,640.

At Montreal, Quebec, Halifax and St. John—at the last port in a very remarkable degree—there has been an increase of all business connected with transportation, whether in exports, imports or in immigration. In several respects the volume was the largest on record.

THE MARITIME PROVINCES.

Throughout the three provinces, in all of which we are now largely interested, there has been during the past year a reasonable measure of prosperity. A good demand, generally at high prices, has existed for the various products of this part of Canada, labour has been well paid, there has been more money in circulation, further progress has been made in railway and other road building, and in many other respects there is evidence of growth. Although the conditions as regards snow were not altogether favourable, the result of the winter's work in lumbering was a large supply of logs, almost the whole of which has been sawn and the bulk of the lumber sold at satisfactory prices. In the early part of the season prices were high, but later there was a falling off owing to accumulated stocks, and it looks as if a check upon building, both in Great Britain and in the Eastern States, is being experienced. Notwithstanding this, the majority of the lumbermen have prepared on an extensive scale for the present winter. The lumber business in Nova

Scotia and New Brunswick is steadily getting into stronger hands, greater care is being taken to prevent fires, and the vital importance of the business to these provinces is being more fully recognized. All that has happened in connection with the large steel industries in Nova Scotia as to improvement in processes, excellence of product, economy in cost, prices realized, and enlargement of output and market, is as satisfactory as we could wish. The collieries have all largely increased their output, and although there has been considerable difficulty in obtaining labour, the results to all companies should make a very profitable showing. The only cloud upon these two great industries is the unsettled dispute between the Dominion Iron and Steel Company and the Dominion Coal Company.

The year in fishing has produced satisfactory results. The cod fisheries have not done as well as last year but the shore fishing has been reasonably good. The conditions surrounding this very important source of wealth should, as we have said before, command the most earnest attention of the people and the governments of the Maritime Provinces. Cold storage and other experiments have shown what can be done, and by steady and intelligent study of the possible products of these waters, of the methods which should be employed, and of the markets for fish, the present result in money, large as it is, can doubtless be much increased. The fisheries of Nova Scotia produced last year about \$8,000,000, and of this over \$2,000,000 is derived from lobsters, of which we provide almost the whole of the world's supply.

Although the reports regarding agriculture are somewhat conflicting, the impression gained is that the farmer, as a general thing, has made progress. There was a satisfactory development of dairying in Prince Edward Island, and of sheep raising there and in some parts of Nova Scotia. The yield in apples, potatoes and hay, all important crops, has been less than an average, but the prices have somewhat helped out the result. Indeed the price for almost every-

thing raised by the farmer has been so high that the total result is fairly satisfactory.

While the number of manufacturing establishments in the three provinces is not large, many of them, individually, are of national importance. Almost without exception they have been employed to their full capacity, and as in recent years, large additions to plant have been necessary in order to cope with increased orders. Building has been active in many towns and cities, and in some places there has been an unusual amount of ship and boat building.

As to the general result of the year to Nova Scotia, New Brunswick and Prince Edward Island there is no doubtful sound in our reports. From almost every city and town we gather the opinion that another good year has been enjoyed, during which failures have been few, payments better than in past years, and progress generally evident.

ONTARIO AND QUEBEC.

In Ontario and Quebec we have to record another year of widespread prosperity, marred only by the effect of rising prices on those who, because of their peculiar callings, do not share in the increase of wages which has become general in the industrial world. The crops of wheat, oats, barley and Indian corn were as a whole above the average, in some places much above, and only in very few localities below. Reports on the hay crop and the conditions of pasture are variable—in some parts quite disappointing, in others *exceptionally good*. *Root crops have done well, including sugar beets, but the relations between the farmers and the sugar factories do not appear to be very satisfactory.* The results of cattle grazing have again been unsatisfactory to both farmer and shipper. The farmer, after pasturing his cattle all summer, found little increase in their value, although this has not been universally the case. Reports regarding hogs are, from the farmers' point of view, without exception highly satisfactory. Prices were at times the highest ever paid, and the profit to the farmer was excel-

lent. Many districts also report the number raised as large and increasing, but the supply from the packers' standpoint was clearly insufficient. The much more favourable result from hogs than from cattle will probably cause an increased production of the former next year. Horses are in good demand, prices are high, and the character of our animals is improving. While the results of feeding cattle for beef have not been satisfactory, the industries connected with the dairy have shown unusual prosperity. The year has made a record as to prices of both cheese and butter, and as to the total value of the combined shipments of these articles. The shipments from Montreal, covering mainly the dairy business of the two provinces, show a total value of about \$26,500,000, the shipments of butter having fallen off in favour of cheese. This total is a trifle better than that of 1903, which up till now has held the record. As we have said, we cannot obtain accurate figures for our internal trade, but an estimate of the value of our dairy products in 1905, for both home and foreign consumption, makes the total over \$80,000,000. The fruit crop has not been as good as in recent years, but prices have been satisfactory. The shipments of apples from Montreal show a total of only 407,798 barrels, the largest total of recent years being 732,044 barrels for 1903, and the average of the last seven years being 413,489 barrels.

The lumber business in the various districts in Quebec and Ontario has again witnessed an increase in prices, and in some grades a very large increase, having regard to the steadily mounting prices of recent years. Unfortunately, but quite naturally, the cost of production also continues to increase rapidly, and the present winter promises to be the highest in this respect. The output in some sections, notably in the Ottawa district, was not quite as large as in the previous year, but so far as operators had a choice, the cuts were as large as could be managed. Market prices and the cost of production are now so high that we can hardly feel assured of the continuance of such a good market ; however, everybody seems to be preparing for

another large output, and there is more or less confidence in still higher prices. This industry is suffering, like so many others, from the extreme difficulty of getting sufficient labour. This and other causes are making the cost of lumber so high as to affect rents, and indeed to make the price of some grades of lumber, used freely a few years ago, well-nigh prohibitive. It will be strange if this situation, together with the high price of steel and other building materials, does not soon put a sharp check upon building operations generally. While the demand for more houses is wide-spread, the great cost of building is the reason most frequently given for the failure to supply this need. There are, however, other manifest reasons, and despite this lack of dwelling accommodation, building operations were never before so active, so large in volume, or so costly.

We can but repeat the story of last year regarding our manufactures. Manufacturing establishments of almost every kind are full of orders, and in many cases are refusing further work ; prices and cost of production are even higher, profits continue satisfactory, and plants are still being enlarged. As a natural consequence of our inability to fill orders, imports of goods which we are now able to manufacture in Canada, although in insufficient quantity, are still increasing, and branch establishments of United States manufacturers are still being built. One of the most gratifying features of the year is the announcement of *the building of large plants in Ontario* by well-known British manufacturers. It is not easy to realize the many directions in which we have demonstrated that we can manufacture articles which were altogether *imported, or nearly so*, but a few years ago. And this new state of affairs causes some curious temporary conditions. We are making iron on a considerable scale, but we are importing pig iron to a much larger extent than usual, because our iron and steel mills are using their own pig iron for rails, rods, etc., to such a degree as not to be able to supply the demand for pig iron. Time will surely cure this. We are

making railroad engines and all other rolling stock on an unprecedented scale, but the whole railroad world of North America is putting upon the makers of railroad supplies a strain which they seem unable to meet.

Trade in the wholesale centres and in the towns throughout Ontario and Quebec has naturally been particularly good, farmers have paid their obligations of all kinds quite satisfactorily, and failures in business have been very few indeed. The unfavourable features are the continued scarcity of farm and all other kinds of labour, the natural loss of young farmers by emigration to the western provinces and, if one may say so without offence, the very bad roads in some parts of Ontario. Our counties and townships in the older parts of the province are, as municipalities go, almost all comparatively rich, and there is no obvious excuse for roads which in the spring and autumn, for many weeks together, are of very little use.

Perhaps the most interesting and, in some respects, the most important development of the last two years in Ontario has been the silver mining at Cobalt, with its attendant circumstances. It seems quite clear that we have a mining area of quite extraordinary richness, out of which very many millions of dollars worth of silver can be mined at an unusually low cost. Indeed, it would appear that thus far the cost of the development work—and little else has been done—has not been on the average more than ten per cent. of the value of the silver obtained, and in this calculation the value of all low grade ore now on the dump and needing concentration before shipment is disregarded. As to the depth to which large veins will go little is known as yet, although 300 feet has been reached in one case, and the various attempts to measure the wealth from particular veins, or from the camp as a whole, seem to us not only unreliable but likely to do more harm than good to legitimate mining. There are now slightly over twenty mining companies shipping ore, the additions for

the year being few in number. It is to be remembered, however, that this represents many more than twenty mines. The total shipments of ore thus far have been about 6,500 tons, worth probably over \$5,000,000 in money. Very few of the mines can as yet be said to have made more than a beginning. The richness of the ore is indisputable, and it is evident that there is a great deal of it. More than this it is unsafe to say. Unfortunately we have not escaped the inevitable accompaniments of the opening of a rich mining camp—the flotation of many properties which have little or nothing to show for the capitalization, and of many other properties valuable doubtless but capitalized at figures not justified by anything now in evidence. Again, some properties not originally over-capitalized have been carried to a quoted price in the market which would require the mines to produce almost incredible results. Against producing properties, existing or in sight, numbering say thirty, over two hundred companies have been organized, and the shares of perhaps half of them have been offered to the public. All this is to the last degree unfortunate, and the check this speculation has already received came none too soon.

A new oil and gas field has been discovered in Kent, and important development work is being done.

MANITOBA, SASKATCHEWAN AND ALBERTA.

We need not tell you that the three prairie provinces have had another year of prosperity and that in some directions it has been accompanied by speculation and undue expansion.

Before the middle of August our Winnipeg Manager made his annual estimate of the grain crops of the three provinces, which was published in Great Britain and elsewhere. A fortnight of most unusual heat and hot winds followed, which caused some widely differing calculations to

be made, but the facts as now known bear out our figures fairly well. Our estimate in August was :—

	Bushels.
Wheat	91,813,000
Oats	80,854,000
Barley.....	17,735,000

The final estimate, at 15th September, of the North West Grain Dealers' Association accounts for 86,000,000 bushels of wheat.

At the commencement of the movement of the past year's crop, prices ruled from eight to ten cents per bushel below those of the previous year, but at this date the difference is only two to three cents. Trustworthy and competent persons estimate that the proportion of high grade wheat will be 75 to 80 per cent. of the whole. In addition to this the wheat is regarded as equal, if not superior to that of 1905 for milling purposes, and the 1905 crop of high grade wheat was looked upon as one of the best that had ever been produced in the West. Whilst these satisfactory results have been produced, better results can be obtained if the farmer will take heed. There is a great deal of carelessness in the selection of seed, the destruction of obnoxious weeds and the care of the crop during harvesting and threshing. It cannot be too strongly impressed upon the farmer that one of the most serious matters threatening the welfare of the West, and more particularly the Province of Manitoba, is the alarming prevalence of noxious weeds and smut. In 1905 the railway companies and the officers of the Experimental Farms of the Dominion Government made use of special trains with staffs of lecturers, to demonstrate to the farmers the necessity of exercising greater care in the matters referred to. In order, however, to obtain the best results, it will be necessary to continue from year to year this educative work, which will mean the saving of a very large amount of money to the people of this country. In some recent years the crop, in Manitoba particularly, has suffered severely from

rust. This disease should certainly be investigated by the Provincial Governments, with the object of discovering a remedy. The best available information indicates that there will be an increase in crop acreage in 1907 of 10 to 15 per cent. The autumn has been unusually favourable for ploughing and harvesting operations, and the farmer has taken every advantage of it. Towards the close of the season, however, the land became too dry for ploughing, and it is predicted by some that we are on the verge of a series of dry seasons. Land values continue to increase in the more populous parts of the country as well as in the newly settled parts. We stated in our report of last year that all the great land-owning corporations had advanced prices, and it is felt by competent authorities that the limit of price at which the new settler can afford to acquire land for farming purposes has been reached in some districts.

In order to illustrate the elevator capacity of the West we append the following figures obtained from an official source :

	Bushels
Canadian Pacific Railway, Winnipeg and East.....	12,955,000
Canadian Northern Railway, Winnipeg and East....	7,851,000
Canadian Pacific Railway, West of Winnipeg	25,118,600
Canadian Northern Railway, West of Winnipeg.....	5,561,600
Alberta Railway and Irrigation Co.....	156,000
	<hr/>
Total elevator capacity.....	51,642,200

As a grain centre Winnipeg is now the second in America, yielding precedence only to Minneapolis, and with the possibility that in the near future it will take first rank. The capacity of the flour mills in Canada between Lake Superior and the Pacific has increased largely during the past year, and is now about 35,000 barrels per day.

We have not yet before us the Government statistics for the past year, but we are satisfied from information received from trustworthy sources that the export of cattle from Western Canada has been unusually large, surpassing all previous



WINNIPEG, MAN.

The Bank has seven other branches in the City of Winnipeg

records. There are various reasons given for this. In the first place, the cattle fattened well and early in almost every district in the West. During the previous two or three years they did not mature and the unexpected maturity in the past year practically compelled the rancher to reduce his numbers, as the area available for ranching is decreasing, and the land is being settled by agriculturists willing to pay for land prices which are prohibitive to the ranchers. Prices of cattle, too, have been much better than for some years, and the rancher, the middleman and the small farmer should all have made money. The trade in horses continues to improve, more particularly as regards the better bred animal. Sheep grazing, especially in Southern Alberta and Saskatchewan, is developing satisfactorily, and with proper care the flocks should in a few years compare favourably as to number and breed with those in the North Western States. We have been able to obtain the figures representing shipments of live stock by the Canadian Pacific Railway, mainly from Alberta, partly for home and partly for foreign consumption. The totals for 1906 are : Horses, 16,851 ; cattle, 109,708 ; sheep, 55,407 ; and hogs, 32,133. As compared with 1905 these figures show an increase in shipments, as follows : Horses, 3,968 ; cattle, 26,293 ; sheep, 5,597 ; and hogs, 7,700. The development of the dairy industry is satisfactory, but there is room for great expansion in the raising of hogs and poultry. The farmer evidently has not yet been convinced of the large profits which have resulted to other communities in Canada and the United States by fostering these industries. The chief deterrent, we fear, is the extra care required, and whilst he is able to make good profits by growing grain, he will neglect these still more profitable branches of his business.

With the abundant harvests of the past two years, it would be natural to expect a very pronounced increase in the farmer's ability to liquidate his indebtedness. Unfortunately, however, only a small percentage of the land and

mortgage obligations incurred some few years ago has been removed from his shoulders, and it will take some years yet to remove the remainder. If the farmer could be induced, except when he does not borrow the money, to cease buying land for two or three years and to allow a surplus of money, or its equivalent in live stock, to accumulate in his hands, then this part of Canada would be placed on an undoubtedly sound financial basis.

The railways and other transportation companies were entitled last year to praise for the satisfactory way in which the crop was moved out of the country. This year, however, conditions are very different. The car shortage has been a serious drawback, not only to the crop movement and to all who require transportation, but to merchants, bankers and all who are interested in the collection of debts. If those who have products to ship cannot get cars, how can they pay their debts?

The lumber business has been profitable to both the manufacturer and the retailer, and the manufacturer has found a demand for practically all he could supply. Stocks on hand cannot but be small, and if another fair crop is harvested and the excessive cost of land and material and the tightness of money do not interfere, the results next year should be good.

The fur trade tributary to Edmonton, for the past season, is estimated at a value of \$1,500,000.

Mercantile business may be regarded as in a healthy condition. There have been no serious failures. Collections on the whole have been fairly good, but they are not an improvement on the previous year. The volume of business of the wholesaler and manufacturer is yearly increasing, and notwithstanding that competition in all lines is keener, credits, we believe, are being more closely scrutinized by the best houses.

For many years there has been great dissatisfaction on the part of the wholesale trade and others with the present laws in Saskatchewan, Alberta and British Columbia, governing the winding up of insolvent estates. Last year the Board of Trade of the City of Winnipeg took up the question with a good deal of vigour, and meetings were arranged to discuss it with several of the Western Boards of Trade and Government representatives. Some good was accomplished and an understanding was reached that a general Insolvency Act, similar to that now in force in Manitoba, should be adopted for all the Western Provinces. The Manitoba Act has worked fairly well; but the present laws of Saskatchewan and Alberta are so unsatisfactory that we can but hope that the new Governments in these Provinces will speedily take action to amend the situation. Another matter that should be dealt with by the Governments of Saskatchewan and Alberta is a modification of the tariff of solicitors' charges.

The official figures give the number of new settlers entering the Dominion during the year ending the 30th June 1906, as 189,064, and it is estimated that 75 per cent. of these have settled in the Western Provinces. The population of Manitoba, Saskatchewan and Alberta is now estimated as follows:—

Manitoba.....	360,000
Saskatchewan.....	260,000
Alberta.....	185,000
	805,000

Reliable immigration agents report that conditions are altogether favourable for another year of heavy immigration from the United States. We regard these settlers as the best coming into Canada. They understand Western farming and climatic conditions and are generally in fairly good financial circumstances.

BRITISH COLUMBIA.

Except that this is one of the lean years in salmon canning, all that was said last year about British Columbia might

be repeated. The year has been very prosperous, and were it not for the scarcity of labour much greater progress would have been possible. As we have already indicated, the lumber business has been exceptionally good, a ready market at high prices being at hand in the prairies, while the foreign demand supplied by mills on the coast is larger than ever before. As a natural consequence the supply for next year promises to be considerably increased, and in some parts of the province several new lumber companies are being established. Standing timber is in great demand and the available supply is rapidly being secured by experienced operators and capitalists in the United States. As an evidence of the great scarcity of labour, it may be mentioned that gangs of East Indians, often discharged soldiers, have been largely employed in piling lumber and in other unskilled labour about the mills in several parts of the province.

The history of coal mining in British Columbia during the year has been almost entirely one of labour. Of course the great disaster at San Francisco lessened to some extent the output of the mines on Vancouver Island, but other causes would have made the total mined much larger than usual had sufficient labour been available. The output, however, because of the impossibility of getting miners, was about the same as for the previous year. The circumstances of the strike at the Crow's Nest Pass mines are too well known to require comment, but here, too, the mines were before the strike and are again now at the highest point of production in their history. The strike, however, caused the coal mined for the year to be less instead of more than in 1905. The year closes with a wide and enlarging market for all districts and, were sufficient labour available, a great increase in production would be certain.

The year in copper mining has been the best in the history of British Columbia, the only cloud upon it being the unfortunate coal strike already referred to, and the consequent shutting down for the time being of some smelters for want of coke.

The three great mining companies in the Boundary country, working low grade ores under peculiarly favourable conditions as to cost, are now settled factors in the prosperity of British Columbia, and must profit in an unusual degree by the present price of copper. They are making improvements in plant which should bring the smelting capacity up to 6,000 tons of ore daily. At Rossland, in various parts of the Kootenays and on Vancouver Island there has been unusual activity, and while the results in silver and lead mining are not yet what we had hoped, the prospects are better owing to the higher price of both silver and lead and the reduced cost of smelting. There have been important purchases of properties by expert capitalists, properties which have been idle are being worked, and a larger product on a sounder basis than at any time in the past is confidently expected.

The catch of salmon in British Columbia was only 504,000 cases. As this was known to be one of the lean years on the Fraser River, the figures are not surprisingly small. From the northern rivers the catch was better than in any year during the past six, except 1904. The prices paid to the fishermen were large and the result, in money, of the catch was better than in some years when fish were more plentiful. Large quantities of halibut are now being caught by United States fishing boats off the British Columbia coast, and it is very desirable that we should not only protect our rights but secure this trade for ourselves as far as possible. More attention is being paid to herring fishing, which seems capable of large development both at home and in foreign countries. There is practically no limit to the supply of food fishes in the North Pacific, and too much attention cannot be given by our legislators to this important source of wealth. The value of the total product of fish caught by Canadians in all of our waters in 1905 was about \$30,000,000, the largest figures down to that time. Salmon takes the lead with nearly \$9,000,000; lobsters come next with nearly \$4,000,000; and, surprising as it may seem, cod takes only

third place with \$3,400,000. But this large total could be very much increased by intelligent care and industry.

The most noticeable feature in the development of the province is the wide-spread demand for fruit and farm lands, both in the districts where there is an ample rainfall and in the districts needing irrigation. It may safely be said that fruit of the most perfect character can be grown in large quantities, in surroundings as favourable to the fruit as they are attractive to the grower as a place of residence. It is equally certain that for many years to come the industry might increase rapidly and yet not fear for the necessary market. Indeed the trouble as to a market is likely to be greatest until a large and unfailing supply is available for such centres of consumption as are attracted by the high quality of the fruit. Although astonishing results from a fruit farm of 10 or 20 acres can be obtained in a few years, still a large trade can hardly be created rapidly. Much work must be done and intelligence exhibited before the total supply is large relatively to the possible market, and fruit growing also is an industry requiring, at least during fruit-picking time, a plentiful supply of unskilled labourers. Experienced middlemen will also be required to organize the trade properly. For the lack of labour and organization, great quantities of fruit this year were un-gathered and lay rotting on the ground. Fruit land has already risen sharply in value, and we hope the report is true that one of our great railway corporations intends to clear land on Vancouver Island in order to make it available for fruit farming. The irrigating being done in the Okanagan valley, which is creating important areas suitable for fruit farming, must produce large results in the near future. The awards given at fruit exhibitions in England to the products of this valley are evidence of what can be accomplished as to quality.

UNITED STATES.

In Washington, Oregon and California, the experience has been the same as in Western Canada, only on a much

larger scale. Notwithstanding the disaster in San Francisco, the past year in the three States has exceeded 1905 in the volume of trade and in the profits realized. From each State we learn of continued increase of population, and that labour is still scarce; of building on a large scale, accompanied by unusual activity in real estate transactions, and what seem very high land values; of the discovery, more or less sudden, that the railroad facilities of the country are quite inadequate; and of a shortage in cars and motive power which is nearly unbearable. The great industry of lumber has in all of the States reached proportions which would have seemed impossible a few years ago, and prices have risen to figures which must have a very important influence on the cost of building, no matter how keen the demand for office, store and house accommodation. While this is partly due to the rebuilding of San Francisco, the demand, whether local, from the East or from foreign countries, is far in advance of the supply. The fruit crop continues to increase, until in California it now brings into the State more money than any other branch of trade. We are told that there are in that State 30,000,000 fruit trees and 275,000 acres of vineyards in full bearing, besides nuts, olives and small fruits. The income from this source for the past year is estimated at \$75,000,000. The crop of wheat was not so large, or the price as good as in 1905. Hops were not as profitable, and the catch of salmon was unsatisfactory, but nevertheless all these products contributed their share to the general prosperity. The trade with the north, done mainly from Seattle, continues to grow rapidly. It is thought that somewhat more than 100,000 tons of merchandise were sent to Alaska last year, while the output of the Alaska and Yukon mines was over \$20,000,000. The value of the great variety of minerals taken from the earth in California in 1906 is nearly \$50,000,000, while the new fields for mining in Nevada, the trade of which is tributary to San Francisco, are attracting world-wide attention. Coats-

wise shipping is abnormally active, many new steam vessels are being built, especially for the trade from San Francisco southward, and freight rates between Puget Sound and San Francisco are more than double those of a year ago.

In April a terrible disaster by earthquake and fire came to San Francisco. We have already referred to our fortunate experience as a bank in escaping loss in connection with our loans in that city, and the story of the disaster has been told so often that we need not dwell upon it now, except to say that the city is being rapidly rebuilt, despite troublesome and costly labour conditions and the high cost of materials. We are told that 15,000 teams are employed in removing the debris, and that the expenditure on new buildings during the next three or four years will be about \$400,000,000. The temporary and permanent buildings already erected, or being erected, must represent about \$50,000,000, and whether the outside world does its share or not, San Francisco will be rapidly restored. Meantime, the most astonishing fact is that with such temporary buildings as have been possible, the city is doing a large and rapidly increasing trade. Its great trade with its own and with inland States, with the whole North Coast, with Central America, the Hawaiian Islands, with Asia, Australia and the rest of the world, remains, and that this trade has not been lost to any great extent is shown by the Clearing House returns. The returns for eleven months in 1905 ending 30th November, were \$1,667,372,636; for the same eleven months in 1906 they were \$1,795,131,485. They were larger in every month in the year except April, May and June. The figures are, of course, somewhat swollen by payments for fire losses, but as they stand they indicate clearly that the main body of the city's former trade is still being done. The great fact exemplified by the disaster is that the vital features of a city are not its buildings, but its people, and the reasons, industrial or otherwise, which have caused them to found a city in a particular place.

Throughout the United States business has been generally satisfactory. The wheat crop of 735,261,000 bushels is somewhat larger than in 1905, and one-third larger than in 1904. The Indian corn crop of 2,927,416,000 bushels, the barley crop of 178,917,000 bushels, and the oat crop of 964,904,000 bushels are all larger than the corresponding crops of either 1904 or 1905. The crop of cotton at the end of November showed 11,233,000 bales, against 13,654,000 in 1905 and 10,402,000 in 1904. The latest Government estimate when all is marketed, however, is 12,500,000 bales. Bank clearings for the principal cities, for eleven months, show \$145,544,000,000, an increase of twelve per cent. over 1905. Almost every phase of industry has been active and prosperous. Speculation in stocks has been greater than in 1905, but bonds have been inactive owing to high rates for money. The disturbing factors are the same as in other countries which are active industrially—money and labour with which to continue to build are less plentiful than could be wished, and prices of many commodities are high. Iron, copper, lead and tin are all higher than a year ago. Beef, pork, lard, etc. are also higher. Wheat, flour, corn, and cotton are lower. Lumber and all building materials have risen in price abnormally. The inability to move freight, amounting in some cities almost to paralysis, is attributed sometimes to lack of cars, and sometimes to lack of motive power, but sometimes to lack of trackage. Indeed it seems as if the great railroads in the United States will have to spend sums which are enormous even to them, in order to keep up with the business offering.

The resolution for the adoption of the Report was carried unanimously.

The Chairman.—As we have stated in the Report which has been presented to you, we think it wise to increase the number of Directors from twelve to fourteen, and the necessary resolution will now be submitted to you. Mr. Z. A. Lash and Mr. E. R. Wood will be proposed as new members of the Board. Those present who have known these two

gentlemen will feel at once that no better selection could be made. Both are men eminently qualified to fill the position and discharge the duties with credit to themselves and satisfaction to the Shareholders.

Mr. H. D. Warren.—I have much pleasure in moving the following resolution :—

That By-law No. 1, adopted by the Shareholders on 18th June, 1901, and amended by them on 14th January, 1902, and 9th January, 1906, be amended by substituting the word "fourteen" for the word "twelve" in the first line of the said By-law.

Hon. W. C. Edwards.—I beg to second the resolution which you have just heard.

The resolution was declared carried.

Mr. J. L. Blaikie.—The resolution I have to submit for your approval is: "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." This resolution, gentlemen, is of special interest to-day. It is of altogether more than ordinary interest by reason of the announcement which has been made by Mr. Cox. We have in this Bank a splendid body of Directors, and it may, if possible, be made a little more so by the additions which have been announced to-day. It is something very unusual, we all admit, for any gentleman who has long occupied so high a position as that of President of an institution to step down to take the position of an ordinary Director, and it does Mr. Cox infinite credit that he has so cheerfully taken this step, believing it to be in the best interests of the Shareholders. We Shareholders as a whole will recognise the fact that Mr. Cox has been instrumental in helping very materially the prosperity of this institution. His extensive acquaintance with all the industries carried on in the country and with so many influential men, both public and private, has enabled him to divert to this Bank a large amount of business which has proved

immensely profitable to the institution. But it is natural that after these long years, Mr. Cox should desire to be relieved of the arduous duties resting on him. Sometimes Presidents do not realise the great responsibility attaching to the position and are somewhat indifferent and careless in discharging their duties. This is not the case with Mr. Cox. He has been faithful and attentive in all the duties incident to the office of President, and with great heartiness, Sir, the Shareholders return thanks to you, not in a formal manner, but in a true and hearty manner, for your great services to the Bank.

Mr. Wm. Mackenzie.—I have much pleasure in seconding the resolution, and I am sure the thanks of the Shareholders are justly due to the President, Vice-President and Directors of the Bank. The Directors and Shareholders may be very proud, and naturally so, of the position the Bank has attained in the last twenty years, as shown by the Report ; and not only are the Shareholders' thanks properly due to the Directors of the Bank, but I think the thanks of the people of Canada are due to the Bank and to the management of the Bank for the enterprise they have shown in the development of Canada as a whole.

The Chairman.—I may say on behalf of myself that I appreciate very much the very kind remarks that have been made in the proposing and seconding of this resolution, and on behalf of my colleagues on the Board that I am sure they all appreciate what has been said. I can say that no institution in this country has, in my opinion, a more able Board of Directors or a Board that give more earnest and careful attention to the affairs of the Bank than do the Board of The Canadian Bank of Commerce.

Mr. C. S. Gzowski.—Mr. Chairman and gentlemen, I have much pleasure in moving the following resolution, namely : " That the best 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." In moving this resolution, Mr. Chairman, we have in mind the

important factor banking is in this country with its immense and satisfactory growth. It is due entirely to the officers of this institution that we have the very satisfactory report that has been presented to us to-day, and I am sure the meeting will be glad to pass this resolution which I have so much pleasure in moving.

Mr. Henry Beatty.—I have much pleasure in seconding the resolution.

The Chairman.—This resolution I am sure is well deserved. No better evidence of it could be had than the magnificent Report laid before you to-day, and those of us who see from day to day, from week to week, and from year to year the arduous and careful and able attention that is given to the affairs of this Bank by its staff well know how much this resolution is deserved and how cordially it will be received.

The General Manager.—On behalf of the staff, which now consists of between eleven and twelve hundred, I thank you very cordially for this resolution. Mr. Laird will say something more directly bearing on it, but it has occurred to me that you might like to have a few words from the general manager of a bank, regarding some of the views which have been presented to the public in connection with the failure of the Ontario Bank. Among many others, three views especially seem to have taken hold of the public mind. There is a feeling that general managers may, as a rule, do pretty much what they please; that subordinate officers can hardly be expected to disclose the wrong-doing of a superior, because they might by so doing lose their positions; and there exists a doubt as to whether the head offices of banks are as a rule inspected, and as to the value of bank inspection generally. Speaking from my own experience, I think these views are as far from the truth regarding the practice of ordinary Canadian banks, as they well could be. But of course I can only speak with positive assurance regarding our own institution.

In this Bank the main principle underlying the system of our intra-mural working is very simple. We start with the principle of double custody or joint action, and we carry this out as far as it is possible. If the board of a bank employ men of well-known character and ability for all important positions; if they place on all such men a check in the shape of younger men of promising ability, who are also to act as coadjutors and who are experienced enough to fill the places of their seniors in the event of death or sudden disability; if this policy is impartially carried out from the general manager down to the least important country manager; if joint custody of cash and securities, joint responsibility in incurring obligations on behalf of the bank, and joint discussion of business offered to the bank, are carried out as far as possible, does it seem likely that the general manager, or any other officer, could do wrong and remain unchallenged? It is on this principle of double responsibility, as we have said, that the organization of this Bank has been created and has been carried on for the last twenty years at least.

The suggestion that subordinate officers cannot be depended on to do their duty when it involves exposing the wrong-doing of a superior, must come to most bank officers as a disagreeable surprise. If the organization of a bank is so loose and inexact that duties are not clearly indicated, it may be that situations such as that disclosed in the Ontario Bank may arise, and of course the positive collusion of two men cannot be prevented; but after an experience of over forty years, I would say that *nothing is now more generally understood* than the duty of the second in command towards his superior in the event of wrong-doing by the latter. If the seconds are selected from the rising men in the staff, they are not likely to throw away their future by the criminal folly of aiding in the sins of others.

As to inspection, we have yet to hear of any system which is as sound as inspection by our own officers, despite the fact that it is in a manner self-inspection as opposed to

inspection by an outsider. In this Bank we have in the Inspection Department about ten officers, and the greater part of their time for the entire year is consumed in inspecting our various offices and departments, in which, I need not say, every part of the head office is included. This is done at a very large cost, and this cost cannot be avoided by any other system that has been proposed. Neither government inspection nor compulsory audit can do for us what our trained bankers do. Still if government inspection or compulsory audit would give any substantial protection to the general public we would not object. These systems, however, must more or less create the impression that they afford a protection which they cannot in the nature of things possibly afford. We do not mean to say that such an examination would not have discovered some of the deceit recently laid bare in the bank referred to, but we do say that there are many forms of possible loss to shareholders which no government inspection, or audit by a chartered accountant, could detect.

In the last analysis a bank must be judged by its board and by the men who constitute its management, not merely at head office but at its branches, and it is not so difficult as some would have us think to judge whether a bank is carefully officered and safely managed or not.

We need not expect that bank officers can be made wise or honest by legislation, nor can any legislature successfully protect innocent people from the effects of their own bad judgment and lack of business skill in selecting their investments. Besides it is to be borne in mind that the shareholders of any bank have sufficient power, without further legislation, to secure any kind of inspection or audit they may desire.

Mr. Laird then said:—

In acknowledging your very cordial vote of thanks in appreciation of services rendered during the past year, which have resulted in our being able to submit such a satisfactory balance sheet, I think it not out of place to say for the

General Manager and myself how much we owe to our able staff of assistants, managers, and representatives throughout the Bank for uniformly loyal and devoted work in managing our extensive business during a period of extraordinary expansion entailing great labour. This has required unusual care, and the highest order of intelligence to make effective any suggestions from the executive, and we are proud to acknowledge our indebtedness for many plans initiated for the furtherance of our desire for the perpetuation and upbuilding of a splendid system.

We are not unmindful of the fact that those in direct charge, who are responsible for the specially good results during the past few years, are likely to be considered peculiarly entitled to your commendation; perhaps to the exclusion of those in minor positions who are scarcely seen and seldom heard of when an estimate of our progress is made; but we are conscious of the value that should attach to the junior members of our staff, and we gratefully record our appreciation of work well done under very trying circumstances, and the ready obedience given to orders when the outcome, as it affected their positions, was obscured.

In the management of our affairs, particularly in the new districts of our great country, the necessities of our service make it important that we should act promptly, and in asking our assistants to occupy positions where the comforts of living were often of the most unsatisfactory character, we have seen no hesitation in responding to the call of duty. We are aware that this denotes an abiding confidence in the wisdom of the executive, and we cheerfully recognize our obligation in imposing unusual burdens on our staff and particularly on those who are asked to do pioneer work; and this generally falls to the lot of the younger men.

It has been my privilege to make the acquaintance of many of our young men, and I hope to broaden this acquaintance until it embraces the whole staff; because, having received so much in the course of my service, I wish to give the encouragement of my experience, by the assurance of the certainty

of reward for faithful work, and a steady allegiance to our Bank. We are able to say to the young man, as he steps on the threshold, that he has an opportunity to occupy the higher positions, and added emphasis is given to this statement when we know that almost without exception, from the General Manager down to the last appointed manager, all have risen from the ranks. The young men of to-day will be called upon to assume the burdens of management and it behooves us to see to the selection of right material; and our staff should receive an inspiration from the past record. We have brought into our fold the best of four banks by amalgamation, and with the addition of exceptionally good stock from the Old Country and the flower of our native born, the combination should strengthen our confidence that we shall not prove recreant to the great trust reposed in us. On behalf of the Service, I sincerely thank you for the expression of your good will and your commendation of what we have endeavoured to accomplish in your interests.

It was then moved by Dr. Hoskin, and seconded by Mr. Nicholls:—

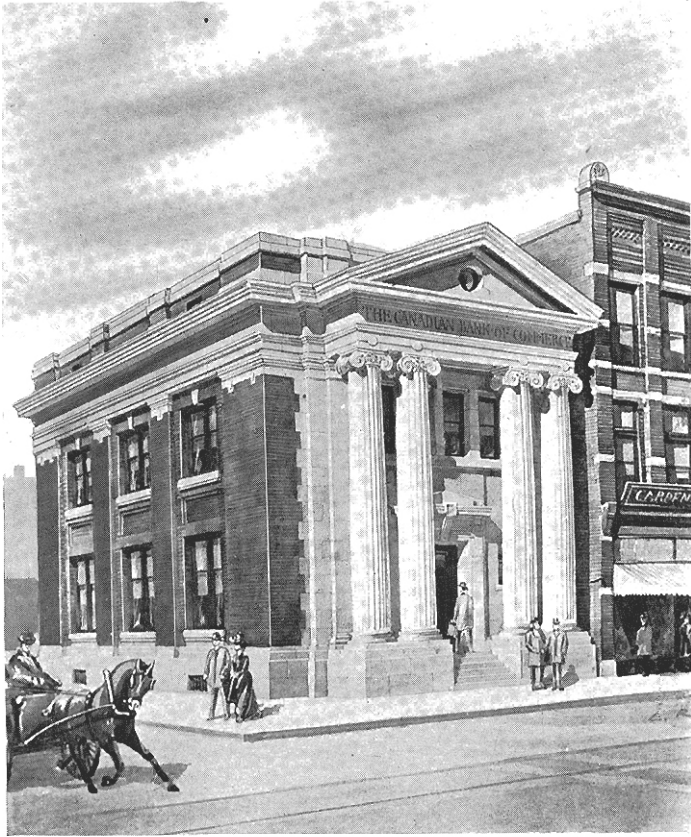
That the meeting do now proceed to elect Directors for the coming year, and that for this purpose the ballot-box be opened and remain open until 3 o'clock this day, the poll to be closed, however, whenever five minutes shall have elapsed without a vote being tendered, the result of the election to be reported by the scrutineers to the General Manager.

The resolution was carried, and the meeting then adjourned.

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

Hon. Geo. A. Cox, Robert Kilgour, Matthew 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, Hon. W. C. Edwards, Z. A. Lash, K.C., E. R. Wood.

At a meeting of the newly elected Board of Directors, held subsequently, Mr. B. E. Walker was elected President, and Mr. Robert Kilgour Vice-President.



WOODSTOCK, ONT.
Approaching completion

