

**THE CANADIAN BANK
OF COMMERCE**

ANNUAL REPORT

30TH NOVEMBER, 1908

THE CANADIAN BANK OF COMMERCE

CAPITAL PAID-UP - - - - - \$10,000,000
REST - - - - - 6,000,000

DIRECTORS:

B. E. WALKER, Esq., C.V.O., LL.D. - - -	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
J. W. FLAVELLE, Esq., LL.D.	Z. A. LASH, Esq., K.C.
A. KINGMAN, Esq.	E. R. WOOD, Esq.

LONDON 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 MACNAB, Esq.	W. N. WICKWIRE, Esq.

CHARLOTTETOWN BOARD:

WM. A. WEEKS, Esq., Chairman	
F. R. HEARTZ, Esq.	A. P. PROWSE, Esq.

THE CANADIAN BANK OF COMMERCE

HEAD OFFICE: TORONTO

B. E. WALKER, C.V.O., LL.D. - - - - - PRESIDENT

ALEXANDER LAIRD - - - - - GENERAL MANAGER

A. H. IRELAND, Superintendent of Branches

H. H. MORRIS, Superintendent of Pacific Coast Branches

JOHN AIRD, Superintendent of Central Western Branches

V. C. BROWN, Chief Inspector

D. A. CAMERON and J. P. BELL, Inspectors

WM. HOGG, Assistant Inspector

T. F. ASPDEN, Supervisor of Banking Accounts and Exchanges

A. ST. L. TRIGGE, Secretary

BRANCHES

BRITISH COLUMBIA AND YUKON—

CRANBROOK	R. T. BRYMNER . . .	Manager
CRESTON	P. B. FOWLER . . .	"
DAWSON	D. M. SANSON . . .	"
FERNIE	H. L. EDMONDS . . .	"
GREENWOOD	J. T. BEATTIE . . .	"
KAMLOOPS	C. W. HALLAMORE . .	"
LADYSMITH	L. M. DeGEX . . .	"
MISSION CITY	K. V. MUNRO . . .	"
NANAIMO	E. H. BIRD . . .	"
NELSON	J. L. BUCHAN . . .	"
NEW WESTMINSTER	H. R. DAVIDSON . . .	"
PENTICTON	J. J. HUNTER . . .	"
PRINCE RUPERT	J. M. CHRISTIE . . .	"
PRINCETON	A. J. MARLOW . . .	Act. Mgr.
REVELSTOKE	A. H. ALLEN . . .	Manager
VANCOUVER	WILLIAM MURRAY . .	"
Do. EAST	C. W. DURRANT . . .	"
Do. PARK DRIVE	C. R. W. POOLBY . . .	"
Do. SOUTH	E. W. CARR HILTON . .	"
VICTORIA	G. GILLESPIE . . .	"
WHITE HORSE	D. ROSS	"

WESTERN PROVINCES—

BAWLIF, ALTA.	W. H. HARRISON . . .	Manager
BRANDON, MAN.	A. MAYBEE	"
CALGARY, ALTA.	C. W. ROWLEY . . .	"
CANORA, SASK.	G. G. BOURNE . . .	"
CARMAN, MAN.	F. J. MACCOUN . . .	"
CLARESHOLM, ALTA.	W. A. CORNWALL . . .	"
CROSSFIELD, ALTA.	JAMES CAMERON . . .	"
DAUPHIN, MAN.	D. H. DOWNIE . . .	"
DELISLE, SASK.	A. A. C. SELFE . . .	Act. Mgr.
DRINKWATER, SASK.	H. H. LOWE	Manager
DURBAN, MAN.	W. E. D. FARMER . . .	"
EDMONTON, ALTA.	T. M. TURNBULL . . .	"
ELBOW, SASK.	R. P. MORRISON . . .	Act. Mgr.
ELGIN, MAN.	J. D. BELL	Manager
ELKHORN, MAN.	R. H. BROTHERHOOD . .	"
GILBERT PLAINS, MAN.	H. W. MARLING . . .	"
GLEICHEN, ALTA.	W. R. McKIE	"
GRANDVIEW, MAN.	F. W. DE MILLE . . .	"
GRANUM, ALTA.	THOMAS ANDREWS . . .	"
HARDISTY, ALTA.	L. A. S. DACK	"
HIGH RIVER, ALTA.	A. G. VERCHÈRE . . .	"
HUMBOLDT, SASK.	E. R. JARVIS	"

BRANCHES—Continued

INNISFAIL, ALTA.	WM. HILBORN	Manager
INNISFREE, ALTA.	W. P. PERKINS	"
KAMSACK, SASK.	G. G. BOURNE	"
LANGHAM, SASK.	W. J. SAVAGE	"
LANIGAN, SASK.	B. P. ALLEY	"
LASHBURN, SASK.	J. H. DENT	"
LETHBRIDGE, ALTA.	C. G. K. NOURSE	"
LLOYDMINSTER, SASK.	H. B. HAINES	"
MACLEOD, ALTA.	W. G. LYNCH	"
MEDICINE HAT, ALTA.	F. L. CRAWFORD	"
MELFORT, SASK.	F. C. WHITEHOUSE	"
MELVILLE, SASK.	D. H. GORDON	"
MONARCH, ALTA.	C. H. ANDERSON	Act. Mgr.
MOOSEJAW, SASK.	E. M. SAUNDERS	Manager
MOOSOMIN, SASK.	D. I. FORBES	"
NANTON, ALTA.	C. F. A. GREGORY	"
NEEPAWA, MAN.	C. BALLARD	"
NOKOMIS, SASK.	K. W. REIKIE	"
NORTH BATTLEFORD, SASK.	E. A. FOX	"
OUTLOOK, SASK.	C. A. MERCER	"
PINCHER CREEK, ALTA.	A. W. LARMOUR	"
PONOKA, ALTA.	A. F. TURNER	"
PORTAGE LA PRAIRIE, MAN.	A. L. HAMILTON	"
PRINCE ALBERT, SASK.	E. G. SHANNON	"
PROVOST, ALTA.	W. V. GORDON	Act. Mgr.
RADISSON, SASK.	C. CADY	Manager
RED DEER, ALTA.	W. L. GIBSON	"
REGINA, SASK.	H. F. MYTTON	"
RIVERS, MAN.	R. M. SAUNDERS	"
SASKATOON, SASK.	W. P. KIRKPATRICK	"
STAVELY, ALTA.	THOMAS ANDREWS	"
STONY PLAIN, ALTA.	A. M. BROWN	"
STRATHCONA, ALTA.	G. W. MARRIOTT	"
SWAN RIVER, MAN.	J. A. SMITH	"
TREHERNE, MAN.	J. S. MUNRO	"
TUGASKE, SASK.	C. S. FREEMAN	Act. Mgr.
VEGREVILLE, ALTA.	W. P. PERKINS	Manager
VERMILION, ALTA.	H. M. STEWART	"
VONDA, SASK.	J. C. KENNEDY	"
WADENA, SASK.	A. L. JENSEN	"
WATROUS, SASK.	A. M. ANDREWS	"
WATSON, SASK.	HENRY KERR	"
WETASKIWIN, ALTA.	H. I. MILLAR	"
WEYBURN, SASK.	A. S. SWINFORD	"
WINNIPEG, MAN.	{ JOHN AIRD	"
	{ R. A. RUMSEY	Asst. Mgr.
Do. ALEXANDER AVE.	R. E. N. JONES	Manager
Do. BLAKE ST.	"	"
Do. ELMWOOD	A. N. STRANG	"
Do. FORT ROUGE	H. L. WETHBY	"
Do. NORTH	H. W. TRENHOLME	"
Do. PORTAGE AVE.	G. M. PATTERSON	"
YELLOWGRASS, SASK.	C. HENSLEY	"

BRANCHES—Continued

ONTARIO AND QUEBEC—

AYR	H. M. LAY	Manager
BARRIE	H. J. GRASSETT	"
BELLEVILLE	C. M. STORK	"
BERLIN	G. M. WEDD	"
BLENHEIM	W. C. JOHNSTON	"
BRANTFORD	H. W. FITTON	"
CAYUGA	J. L. BARNUM	"
CHATHAM	JAMES SIMON	"
COBALT	S. H. LOGAN	"
COLLINGWOOD	C. D. NEVILL	"
CREDITON	G. W. HARRISON	"
DRESDEN	H. G. MATHEWSON	"
DUNDAS	F. C. G. MINTY	"
DUNNVILLE	R. T. MUSSEN	"
EXETER	G. W. HARRISON	"
FOREST	H. E. TYLOR	"
FORT FRANCES	F. M. GIBSON	"
FORT WILLIAM	A. A. WILSON	"
GALT	C. E. A. DOWLER	"
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	{ H. B. WALKER	"
	{ Wm. LEGGAT	Asst. Mgr.
Do. DE LORIMIER	J. P. TAILLON	Manager
Do. WEST END	H. B. PARSONS	"
ORANGEVILLE	W. H. LUGSDIN	"
OTTAWA	ROBERT GILL	"
Do. BANK ST.	C. R. ARMSTRONG	"
PARIS	R. C. MACPHERSON	"
PARKHILL	T. L. ROGERS	"
PARRY SOUND	E. M. LOCKIE	"
PETERBORO	D. HUGHES CHARLES	"
PORT ARTHUR	A. W. ROBERTS	"
PORT PERRY	J. MCE. MURRAY	"
QUEBEC	W. H. DUNSFORD	"
RAINY RIVER	H. W. GRAHAM	"
ST. CATHARINES	R. G. W. CONOLLY	"
SARNIA	A. D. McLEAN	"
SAULT STE. MARIE	GEORGE WILLIAMS	"
SEAFORTH	G. E. PARKES	"
SIMCOE	W. C. J. KING	"
STRATFORD	WM. MAYNARD	"
STRATHROY	L. H. DAMPIER	"
THEDFORD	J. FULLER	"
TORONTO	{ M. MORRIS	"
	{ C. CAMBIE	Asst. Mgr.
Do. BLOOR AND YONGE	JAMES BRYDON	Manager

BRANCHES—Continued

TORONTO, MARKET	T. A. CHISHOLM	Manager
Do. PARKDALE	W. A. COOKE	"
Do. PARLIAMENT ST.	A. H. CREASE	"
Do. QUEEN AND BATHURST	E. M. PLAYTER	"
Do. QUEEN EAST	J. M. HEDLEY	"
Do. SPADINA AND COLLEGE	H. F. D. SEWELL	"
Do. YONGE AND COLLEGE	G. C. T. PEMBERTON	"
Do. YONGE AND QUEEN	H. C. RAE	"
WALKERTON	G. A. HOLLAND	"
WALKERVILLE	A. W. RIDOUT	"
WATERLOO	J. MOORMAN	"
WEST TORONTO	J. B. McCUAIG	"
WIARTON	J. J. ACRES	"
WINDSOR	E. P. GOWER	"
WINGHAM	A. E. SMITH	"
WOODSTOCK	F. CROSSLEY	"

MARITIME PROVINCES—

ALBERTON	W. C. LAWSON	Manager
AMHERST	J. H. MORRISON	"
ANTIGONISH	J. H. McQUAID	"
BARRINGTON	F. W. HOMER	"
BRIDGEWATER	H. C. DUNCAN	"
CHARLOTTETOWN	H. A. HOLMES	Act. Mgr.
HALIFAX	D. MACGILLIVRAY	Manager
MIDDLETON	C. W. MONTGOMERY	"
MONTAGUE	L. H. COFFIN	"
NEW GLASGOW	B. DEVEBER	"
PARRSBORO	A. E. CURRIE	"
ST. JOHN	F. B. FRANCIS	"
SHELBURNE	T. W. MAGEE	"
SOURIS	G. W. SUTHERLAND	"
SPRINGHILL	E. B. FAIRBANKS	"
SUMMERSIDE	H. A. HOLMES	"
SYDNEY	E. B. IRELAND	"
TRURO	S. N. MOFFAT	"
WINDSOR	J. A. RUSSELL	"

UNITED STATES—

NEW YORK	{ Wm. GRAY	} Agents
	{ C. D. MACKINTOSH	
PORTLAND, ORE.	F. C. MALPAS	Manager
SAN FRANCISCO	G. W. B. HEATHCOTE	Asst. Mgr.
Do. VAN NESS AND EDDY	"	"
SEATTLE	G. V. HOLT	Manager
SKAGWAY	W. T. WHITE	"

GREAT BRITAIN—

LONDON, 2 Lombard Street, E.C.	
S. CAMERON ALEXANDER	} . . . Managers
H. V. F. JONES	
ADAM STODART Asst. Manager

BANKERS AND CHIEF CORRESPONDENTS

GREAT BRITAIN—

Bank of England; Bank of Scotland; Lloyds Bank Limited; Union of London and Smiths Bank, Limited.

UNITED STATES—

NEW YORK—The American Exchange National Bank, The Chase National Bank; ALBANY—The New York State National Bank; BOSTON—The National Shawmut Bank, The Second National Bank; BUFFALO—The People's Bank of Buffalo; CHICAGO—The First National Bank, The Northern Trust Company; CLEVELAND—The First National Bank; DENVER—The First National Bank; DETROIT—The Peoples-State Bank, The First National Bank; MINNEAPOLIS—The North-Western National Bank; NEW ORLEANS—The Commercial National Bank; PITTSBURG—The Mellon National Bank; ST. LOUIS—The Mechanics-American National Bank; ST. PAUL—The National German American Bank; SALT LAKE CITY—The Deseret National Bank; SPOKANE—The Traders National Bank; TACOMA—The Bank of California.

AUSTRIA—

Anglo-Austrian Bank.

BELGIUM—

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

FRANCE—

Crédit Lyonnais; Société Générale; Lazard Frères & Cie., Paris.

GERMANY—

Deutsche Bank; Direction der Disconto-Gesellschaft.

HOLLAND—

Twentsche Bankvereniging, Amsterdam; Disconto Maatschappij, Rotterdam.

ITALY—

Banca Commerciale Italiana.

SWITZERLAND—

Banque Fédérale, Zurich; Schweizerische Kreditanstalt, 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; Anglo-South American Bank, Limited.

MEXICO—

Banco de Londres y México.

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, 1908

LIABILITIES

Notes of the Bank in circulation.....		\$ 9,640,845 68
Deposits not bearing interest.....	\$22,231,129 05	
Deposits bearing interest, including interest accrued to date.....	72,806,666 97	
		95,037,796 02
Balances due to other Banks in Canada.....		165,408 36
Balances due to other Banks in foreign countries..		1,131,386 64
Dividends unpaid.....		1,532 69
Dividend No. 87, payable 1st December.....		200,000 00
Capital paid up.....	\$10,000,000 00	
Rest.....	6,000,000 00	
Balance of Profit and Loss Account carried forward.....	161,244 88	
		16,161,244 88
		<u>\$122,338,214 27</u>

ASSETS

Coin and Bullion.....	\$4,584,049 06	
Dominion Notes.....	8,503,293 25	
		\$13,087,342 31
Balances due by other Banks in Canada.....	\$ 11,850 55	
Balances due by Agents of the Bank in the United Kingdom..	6,750,669 18	
Balances due by other Banks in foreign countries.....	3,191,278 88	
Notes of and Cheques on other Banks.....	4,344,762 50	
		14,298,561 11
Call and Short Loans in Canada.....		7,314,181 53
Call and Short Loans in the United States.....		10,622,703 14
Government Bonds, Municipal and other Securities		4,673,390 71
Deposit with Dominion Government for security of Note circulation.....		450,000 00
		\$50,446,178 80
Loans to other Banks in Canada, secured.....		1,061,252 09
Other Current Loans and Discounts.....		68,694,649 07
Overdue Debts (loss fully provided for).....		143,648 74
Real Estate (other than Bank Premises).....		36,325 44
Mortgages.....		27,102 91
Bank Premises.....		1,727,444 33
Other Assets.....		201,612 89
		\$122,338,214 27
		<u>\$122,338,214 27</u>

ALEXANDER LAIRD,
General Manager.

THE CANADIAN BANK OF COMMERCE

REPORT OF THE PROCEEDINGS OF THE ANNUAL MEETING OF SHAREHOLDERS TUESDAY, 12TH JANUARY, 1909.

The forty-second Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking house on Tuesday, 12th January, 1909, at 12 o'clock.

Among those present were:—

John Hoskin, K.C., LL.D., Robert Kilgour, E. R. Wood, Hon. George A. Cox, Hon. L. Melvin Jones, C. D. Warren, G. C. T. Pemberton, Rev. Dr. Somerville, J. S. Willison, A. E. Kemp, J. L. Watt, G. A. Somerville, J. K. Macdonald, J. M. Hedley, T. A. Chisholm, Hon. Mr. Justice Britton, H. Lockhart Gordon, Richard Brown, Samuel Nordheimer, Edward Cronyn, H. F. D. Sewell, J. Hedley, R. Gray, Thomas Gilmour, John L. Blaikie, J. Short McMaster, P. G. Van Vleet, William Garside, Dr. J. H. Carrique, John A. Morton, W. T. White, W. E. Rundle, J. O. Thorn, T. A. Russell, J. C. Sinclair, Z. A. Lash, K.C., F. H. Gooch, William Craig, A. H. Campbell, Jr., Major Keefer, W. T. Boyd, Miss Robinson, G. F. Beer, M. Morris, William Davidson, R. C. Carlyle, R. Harmer, Henry Beatty, Andrew Smith, F. Beemer, C. Cambie, G. A. Morrow, Thomas Walmsley, W. B. Meikle, R. T. Coady, J. S. Lovell, Robert Davies, J. A. Ewan, C. A. C. Jennings, W. Murray Alexander, Frank Sanderson, S. R. Wickett, William Prendergast, John Westren, H. L. Watt, A. E. Ferrie, L. J. Cosgrave, H. C. Cox, J. M. Clark, K.C., J. Brydon, A. W. Anglin, K.C., William Mackenzie, Frederick Wyld, W. Harland Smith, Æmilius Jarvis; Mr. and Mrs. C. M. Gripton, St. Catharines; James Crathern, Montreal; Hon. W. C. Edwards, Ottawa; A. Kingman, Montreal; W. W. Tamblyn, Bowmanville; H. B. Walker, Montreal; George Murray, West Toronto;

William Gray, New York; John E. Belcher, Peterboro; H. W. Fitton, Brantford; George Reddie, West Toronto; William Cook, Carrville; J. H. Morrison, Amherst, N.S.; R. P. Butchart, Victoria; C. D. Nevill, Collingwood; J. W. Campbell, Calgary; William McAdie, Oshawa; A. Maybee, Brandon; Rev. T. W. Paterson, Deer Park; John A. Bruce, Hamilton; G. H. McLaren, Hamilton; F. C. Bruce, Hamilton; D. Hughes Charles, Peterboro; John Leggat, Hamilton; William Glenney, Oshawa; D. B. Dewar, Hamilton; Jeffery Hale, London; John Aird, Winnipeg; Mr. and Mrs. F. J. D. Smith, Newtonbrook.

The President, Mr. B. E. Walker, having taken the chair, Mr. A. St. L. Trigge was appointed to act as Secretary, and Messrs. W. Murray Alexander and Edward Cronyn were appointed scrutineers.

The President called upon the Secretary to read the Annual Report of the Directors, as follows:—

REPORT

The Directors beg to present to the Shareholders the forty-second Annual Report, covering the year ending 30th November, 1908, together with the usual Statement of Assets and Liabilities:

The balance at credit of Profit and Loss Account, brought forward from last year, was.....	\$ 675,912 10
The net profits for the year ending 30th November, after providing for all bad and doubtful debts, amounted to.....	1,627,332 78
	<u>\$2,303,244 88</u>

Which has been appropriated as follows:—

Dividends Nos. 84, 85, 86 and 87, at Eight per cent. per annum	\$ 800,000 00
Written off Bank Premises.....	300,000 00
Transferred to Pension Fund (annual contribution)..	30,000 00
Subscriptions to Quebec Battlefields and Fernie Fire Funds and other objects.....	12,000 00
Transferred to Rest Account	1,000,000 00
Balance carried forward.....	161,244 88
	<u>\$2,303,244 88</u>

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

Your Directors have the pleasure of reporting earnings amounting to \$1,627,332.78, which, in view of the disturbed financial conditions of the year, we consider very satisfactory. After providing for the dividends and for the usual contribution to the Pension Fund, we have been able to write \$300,000 off Bank Premises Account, to add \$1,000,000 to the Rest, making that account \$6,000,000, and to carry forward \$161,244.88 at the credit of Profit and Loss Account.

During the year the Bank has opened new branches at the following places: In Ontario, at Crediton, Exeter, Forest and Thedford, the first two and the last-named being branches taken over from the Sovereign Bank of Canada; in Manitoba, at Rivers; in Saskatchewan, at Delisle, Elbow, Melville, Outlook, Tugaske and Watrous; in Alberta, at Monarch; and in British Columbia, at Revelstoke and Park Drive, Vancouver. The branches at Kenville, Man., Kinistino, Sask., Norwood, Man., and Ross Avenue, Winnipeg, have been closed. Since the close of the Bank's year a branch has been opened at Provost, Alta.

In accordance with our usual practice, the branches and agencies of the Bank in Canada, the United States and Great Britain, and the various departments of the Head Office have all been thoroughly inspected during the year.

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

B. E. WALKER,

President.

TORONTO, 12th January, 1909.

The General Manager then said:—

GENERAL MANAGER'S ADDRESS.

In our last report we took occasion to say that, after a period of unusual financial stringency, we must expect diminished banking profits; and the year now closed has shown a general disposition to liquidate old obligations rather than to create new ones. A lack of confidence is usually accompanied by a desire to accumulate funds, and this means unwillingness to risk investments in enterprises which are attractive and desirable. Our statement gives every indication of the great change in our financial position during the year. We are still feeling the effects of the general liquidation already referred to, and this must be reflected in our earning power. Confidence, however, is returning, and we have every reason to believe that the coming year will bring a fair measure of prosperity.

The net profits for the past year show a decrease of \$125,016.89 as compared with the figures of the previous year, but they are slightly in excess of 16¼ per cent. on the paid-up capital, and under the circumstances we feel that this result is a very satisfactory one. Had it not been that the volume of our loans was well maintained during the early part of the year, the decrease would have been much greater.

We have paid the usual dividends at the rate of 8 per cent. per annum, and, after providing for the customary payment to the Pension Fund and for some special subscriptions, and adding \$1,000,000 to the Rest, we have been able to set aside \$300,000 for Bank Premises Account, and to carry forward undistributed profits of \$161,244.88. This emphasizes the position this Bank is in as regards the maintenance of its present rate of dividend, and, while some of the shareholders may feel that they are entitled to a larger distribution of the profits of the Bank, we believe the majority will agree with us that the present moment, when we are facing a period of diminished



FOREST, ONT.

demand and consequent lower rates for money, is hardly opportune for the consideration of this question, and that the policy your Executive has followed of strengthening the foundations of the Bank is that which will tend most surely, in the not distant future, to the realization of the hopes of those who look for increased returns. It is possible that some may think our expenditures on bank premises might now be lessened to some extent, and in this connection we may say that the principal buildings which we feel at the present time are necessary should, in the course of the next two years or thereabouts, be completed. But the rapid extension of the Bank in the newer parts of this country, and the remarkable growth exhibited by many of the cities and towns of these new districts, are constantly making demands upon us for accommodation which we find it difficult—indeed, well nigh impossible—to obtain in any other way than by erecting our own buildings.

During the year our deposits have increased by \$7,996,738, or almost eight million dollars, of which about six million dollars is in deposits bearing interest. It may be interesting to note that, starting last year with deposits of \$87,041,057, some of which were of a temporary character, being balances of large accounts in process of adjustment, there was a decrease until April, when we reached the lowest point, \$82,257,018. The past six months showed a steady increase, culminating in our record of \$95,037,796. On the other side of the balance sheet, our loans stand at \$87,692,785, as compared with \$88,768,829 in our last report, the decrease being mainly under the heading of "Current Loans and Discounts" which represents almost entirely our share of the commercial loans of the country. In this item the decrease is \$7,378,622; while, on the other hand, our Call and Short Loans have increased \$5,241,327.

We have not had a recurrence of the difficulties attending the marketing of our crops, and, perhaps, a word on this question will not be out of place. There was little or no apprehension of stringency during the crop season. Our easier financial position, the wise provision for an emergency circulation, and the fact that a large portion of the crop was moved with exceptional rapidity before the close of navigation, all tended to obviate these difficulties; still there is much need to consider seriously permanent measures for financing a crop movement of such large proportions. It is manifestly necessary that there should be a larger amount of bank capital available as a basis for our circulation, but, even with a considerable augmentation of bank circulation and the thoughtful interposition of Government measures of relief, we shall still be brought face to face with the difficult problem of taking care of immense stores of grain after the close of navigation, when the interior movement is over and the grain is warehoused at terminal points.

A year ago we were experiencing a world-wide financial disturbance, with a money stringency of almost unprecedented severity. A policy of extreme conservatism was forced upon Canadian banks, and, as a consequence, they were subjected to much criticism for their practice of carrying loans at call in New York, it being argued that these moneys ought to have been wholly employed in meeting the needs of the manufacturing and mercantile interests of Canada. The fact that the banks have moneys lent outside Canada, at a time when there is a strong demand for accommodation on the part of the business community here, not unnaturally appears open to criticism to persons who are not possessed of all the facts, and, as the subject is one which seems likely to continue to come under discussion from time to time, we think it well to add to what has already been said by other bankers in reply to this criticism.

In November, 1907, when the foreign loans of Canadian banks were at their low point—\$64,774,000—the Canadian banks held deposits elsewhere than in Canada amounting to \$54,819,000, so that not more than \$10,000,000 of Canadian funds were being lent outside Canada. Moreover, the larger portion of these loans is carried in New York at 24 hours' call—practically as readily available as cash. Except at rare intervals, New York call loans bear a much lower rate of interest than Canadian mercantile loans; consequently the banks aim to carry only such an amount at call in New York as, with the cash carried here, will constitute a reasonable reserve of cash and immediately realizable funds. Notwithstanding all that financial critics have written about the Canadian banks sending to New York moneys needed in Canada, in order to take advantage of the high rates occasionally prevailing there, such a thing as a bank curtailing its commercial loans in Canada for a purpose of this kind is absurdly improbable. Only occasionally during the past fourteen years have excessive rates for call money in New York prevailed for more than a few days in the year, and no sane banker would think of sacrificing permanent business connections in Canada, of even the smallest kind, for such a temporary advantage. Self-interest will at all times be a sufficiently weighty force to prevent the banks from lending Canadian funds outside of Canada except to the extent that is necessary for the purposes of their cash reserves.

From the figures quoted above it will be seen that, so far from the business interests of Canada being prejudiced by the policy of the Canadian banks in this matter, they are actually benefited, and in no small measure, since the deposits gathered abroad supply a large part of their cash reserves. Had the banks at the date mentioned had no deposits and no loans outside of Canada, only \$10,000,000 would have been added to their

resources at home, and this would not have been lent for commercial purposes. On the contrary, in order to bring the total reserves up to the normal level, not only would it have been necessary to add this sum to the cash reserves carried here, but also to withdraw a further large sum from mercantile loans.

During the panic in the United States some of our newspapers published sensational and misleading articles to the effect that the funds lent by Canadian banks in New York were tied up and could not be got back to Canada. Notwithstanding the severity of the panic, however, there was not a day during which moneys lent to New York brokers on call could not have been got in, and, while it is true that, if it had been desired to ship money to Canada direct from New York, a premium of 3 to 5 per cent. would have fallen to be paid, on the other hand New York funds could at any time have been exchanged for drafts on London, and the gold brought from there—indeed, this procedure was followed to a considerable extent by the New York agencies of some Canadian banks. No more convincing evidence could be had of the availability of call loans in New York than is afforded by the experience of last year.

On the general subject of the moneys lent in the United States, it may properly be argued that reserves are for use in a time of emergency, but on this score it can be shown that the course of the Canadian banks last autumn was not at all open to criticism. In the month of September, 1907, the total loans of Canadian banks outside Canada amounted to \$88,953,000, while at the end of November, when the stringency was most severe, they had been reduced to \$64,774,000—from which it will be seen that the banks had drawn upon their outside reserves to the large amount of \$24,000,000 to meet the necessities of the mercantile community in Canada. We may be permitted to express our opinion that, with very few exceptions

indeed, the Canadian banks last year faced a very trying situation with courage and a proper sense of their obligations to the business community. As far as this Bank is concerned, we are able to say that no lines of credit for customers were cancelled and no customer from the Atlantic to the Pacific was refused accommodation for his legitimate requirements.

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

PRESIDENT'S ADDRESS.

It is hardly necessary to say that the conditions of business are very different from those of a year ago. We were then required to meet the serious lessening of our purchasing power because of poor crops in Canada, and our share of the result of the culmination of a world-wide expansion in general expenditure, and particularly in the fixing of capital in public and private improvements. We have now had a year in which the pace of expenditure throughout the world has been sufficiently checked to ease the money markets, and in Canada we have gathered an excellent harvest. Better class securities almost everywhere have recovered in price to such an extent as almost to wipe out the apparent losses which seemed so serious a year ago, and which were, of course, real to those who were forced to sell. The lessening of our power and disposition to purchase goods has naturally lessened the profits of many manufacturers and merchants ; but all this was inevitable, and I think those who consider sufficiently must conclude, as a year ago we suggested would be the case, that we have suffered far less than most other countries. Whether we have suffered enough for our own good is another matter.

The total of the bank clearings for 1907 in thirteen Canadian cities was \$4,325,000,000, while for 1908 it was \$4,142,000,000, so that the falling off is only 4.2 per cent.

Owing to the change in the fiscal year of the Dominion Government, which now ends 31st March, we cannot make very useful comparisons between the years ending at that time in 1907 and 1908, but it is evident that up to the end of March, 1908, no decrease in the volume of imports and exports had taken place. But by comparing the half-years—April to September inclusive—we obtain very suggestive figures. For this half-year in 1907 the imports were \$202,700,000 against \$149,500,000 in 1908, and the exports were \$138,200,000 against \$118,700,000 in 1908. So that an excess of imports amounting to \$64,500,000 for the half year in 1907 had been lessened to \$30,800,000 in 1908. As far as the mere lessening of the difference between exports and imports is concerned, this is fairly satisfactory. During the ensuing half-year—October to March inclusive—both exports and imports will doubtless show large increases, but it will be very interesting to see whether we have maintained or improved the relation between what we sell abroad and what we buy. So long as we are not only settling large numbers of immigrants in our new provinces but spending what is necessary to prepare for still larger immigration, we must expect to buy abroad more than we sell, but financial safety lies in preserving reasonable proportions between our purchases and sales. The great differences of the last few years have—except during temporary periods of stringency—been adjusted with comparative ease by the sale of our securities, mainly in Great Britain, but also to a small extent in the United States. This comparative ease, it is well to remember, is due to the high state of our credit in London and sympathetically elsewhere, and the maintenance of this high credit depends upon ourselves. Some idea of the growth in our financial transactions abroad may be gathered from the following facts. During 1908 the total issue of Canadian securities in the shape of bonds was \$196,357,000, of which about \$77,500,000 were in government issues, \$47,500,000 in municipal issues and \$71,300,000

in bonds of railway and industrial corporations. These bonds were sold as follows :—

In Great Britain	about \$165,000,000
In Canada	“ 25,000,000
In the United States	“ 6,000,000

The most satisfactory feature is the generally high character of these securities. Without undertaking to express an opinion about any particular issue, it is safe to say that few countries have produced better securities, as a whole, than those issued by Canada in recent years. Our high credit clearly depends upon a continuance of high quality in our securities and moderation in the quantity offered at any one time.

THE MARITIME PROVINCES.

The prosperity of these provinces has naturally been more unevenly distributed than usual owing to the lower prices and restricted markets generally prevailing, but except where the conditions of manufacturing, including lumbering, have affected the result, there has been general although moderate progress. The winter was mild, the spring dry and the land ready for seeding early. The season was favourable for growth and the yield in most crops has been up to or above the average. Dairying has been prosperous, cheese and butter bringing record prices ; apples, while not so plentiful, have been of better quality, and brought more money ; other fruits have also done well. Hay has been a heavy crop but with lower prices. Taken as a whole, agricultural results have been satisfactory, marred somewhat by lower prices.

In fishing, because of the great length of the coast line, there has been the usual variety of results in different localities, but as a whole the supply of fish has been maintained. Prices, however, have been less satisfactory, partly because of the general conditions of trade, but also because in the dried-fish trade there has been unwholesome com-

petition for some years past, resulting in high prices to the fisherman but in losses to the merchant. Prices have now fallen to a level which should eventually put the trade on a sounder basis.

The hope of an improvement in the markets upon which New Brunswick and Nova Scotia depend for the sale of lumber did not prove well-founded. The cut for the winter was larger than had been estimated, and this, added to large stocks already on hand, has not helped matters. The stringency in money forced many dealers in the Baltic and elsewhere to sell at a sacrifice and the European markets were thus flooded with cheap lumber at a time when the demand for lumber, especially in box-making—because of strikes and declining trade—was at a minimum. The slaughtering of prices, however, has taken place ; stocks abroad are lower ; the cut this winter will be even smaller than last ; spruce may, to some extent, be made into boards for other markets instead of deals, and a distinct improvement in prices and in volume of trade is already evident from recent cable advices.

It is pleasant to record that, despite general depression in the trade of the world, the quantity of Canadian coal mined and shipped was larger in 1908 than in 1907. There has been sharp competition due to many times the usual quantity of American coal being sold in Montreal at low prices, because of bad markets at home. Since October the markets have been depressed, and much will depend upon the trend of prices and of production in the United States.

Our largest steel company has again had a successful year, nearly all the departments having been well employed, and the earnings exceeding those of 1907. In view of the condition of the steel trade throughout the world, this is a very satisfactory state of affairs. It seems also probable that the works will be well if not fully employed throughout the coming year, although doubtless on a lower basis of prices. During the year the company tendered

successfully, although at current British rates, for about 25,000 tons of rails for India and Australia.

In other manufactures, especially those depending on railroads or other large works, or upon Western trade generally, there has been a sharp falling off in volume, and although a recovery has set in it must be at lower prices, and the immediate outlook is not very promising.

ONTARIO AND QUEBEC.

While the results of the year's farming operations have been a fair average in Ontario, they have been below the average in Quebec. Spring conditions were favourable in most parts of Ontario, but the season was late in Quebec and in Eastern Ontario. In both provinces the unusually dry period during the summer affected the yield in the case of many crops, and the farmer suffered like others from the decline in prices. Still the year was one of prosperity although the farmer's purchasing power is for the moment lessened by the effect of the poor crops of 1907. The acreage of fall wheat sown in all Canada for the crop of 1909 is five per cent. less than normal, although there have been great increases in the three prairie provinces and in Quebec. The reduction in the general average is caused by the Ontario acreage falling to 86 per cent. of the normal amount owing to the drought and consequent bad condition of the ground for working. Any loss due to this will doubtless be made up in other directions. Hay and pastures generally were of course affected by the drought. The value of the hay and other fodder crops, of potatoes and roots, including sugar beets, in Ontario and Quebec, is very great, and yet in discussing crops from year to year we are apt to forget the importance of these relatively to the cereals. The Government report for November shows the value for all Canada of these root, seed and fodder crops to be \$186,000,000, of which 48 per cent. was grown in Ontario and 28

per cent. in Quebec, the money value for 1908 in the two provinces being \$142,500,000.

For a second time dairy exports are much less than for the record year of 1906, and while this is partly due to the lack of rain and a lessened number of milch cows, we have apparently come to a point in the trade where its growth cannot be judged by the exports alone as it has been possible to do heretofore with a fair degree of accuracy. Fortunately the statistics now published by the Dominion Government make a study of the subject quite easy. There has been another marked decline in the total value of cheese exported, the quantity shipped from Montreal being valued at only \$17,142,000, against \$20,941,000 in 1906, although the average price was the highest on record. In butter there is an improvement of about 50 per cent. over the extraordinarily low figure of 1907, but even then we show exports valued at only \$1,266,000, as against \$7,400,000 in 1905. If we compare 1908 with 1903 the loss in value of dairy products exported is about \$8,000,000. If, however, we take into account the requirements of our greater population, an increased supply worth about \$9,000,000 is now required for home consumption. But this is not a sufficient explanation, because the decline in exports has been as great since 1906 as since 1903. There is no doubt that it is also due in a large measure to the more lavish expenditure at home for all dairy products owing to our increased prosperity. The total value of the entire dairy product of Canada for 1908 is estimated at \$94,000,000. There are in Quebec 2,806 factories for the making of cheese, or butter, or both, and in Ontario 1,284, while in all the rest of Canada there are but 265. This comparison gives some idea of the opportunity for expansion in this most valuable branch of farming. No matter how great is the home consumption the growth of our dairy business should be great enough to provide for it, and barring lean pastures, to increase annually the quantity avail-

able for export. It is most unfortunate that at a time when there has been drought in Australia and New Zealand the same thing has occurred in Canada. As a consequence the falling off in the supply of colonial butter in Great Britain has been so great that prices have been the highest in twenty years, and, foreign butter makers being unable to supply the deficiency to any considerable extent, it has been supplied by various cheap substitutes for butter, doubtless to the disadvantage of our future trade in the real article.

Exports of apples have also been smaller owing to the prolonged dry weather. As against 630,000 barrels in 1907 we exported only 351,000 in 1908, the average for nine years being 430,600.

The market for horses has been satisfactory. Owing to the reduction in the herds on account of the lack of food supplies in 1907, and the dry season of 1908, there is not the same improvement in the cattle of Ontario and Quebec as has taken place in the West, and a season or two of our usually plentiful food supplies will be necessary before we have entirely recovered. It is also regrettable that the Ontario farmers have for two or three years paid less attention to hog raising than formerly, partly, of course, because of the scarcity of food; the effect has been to lessen the steadiness of our supply of bacon and to give our chief competitor, the Dane, a renewed hold on the market in Great Britain.

The stringency in money has affected the lumber trade of Ontario and Quebec as elsewhere. Large transactions for a time practically ceased, but the manufacturers are as a rule able to hold their stocks, and are unwilling to make much concession in price. There are now signs, both in Great Britain and the United States, of some renewed interest, and this particular trade will doubtless recover its strong position as quickly as any other. There is naturally some lowering of the cost of manufac-

ture, although this will not have its full effect upon boards sawn this year.

In almost all branches of manufacturing there has been a large falling off in output, causing a considerable number of people to be out of employment, and all shop-keepers and distributors of goods to experience a corresponding diminution in the volume of sales and in profits. This inevitable result of the necessary check which has come to the world's expansion is now gradually passing away, and we can look hopefully to the future, especially in view of the unusual growth of this country. In many branches of manufacturing orders are now coming in quite satisfactorily, and many stocks which had become low are being replenished.

Much the most interesting feature in the development of Ontario has been the Cobalt mining camp and the prospect of new areas of similar character. The actual silver shipments of 1907 have advanced us to the fourth position among the world's producers, as compared with the fifth position a year ago. We have passed Germany and we may pass Australasia in the near future. Up to the close of 1907 the total value of silver produced at Cobalt was \$11,300,000; and of this about \$6,000,000 was shipped in 1907, the average value being about 65 cents per ounce. The quantity of ore shipped in 1908 was about double that of 1907, but the average value having fallen to approximately 52 cents per ounce the money result is only about \$9,500,000. Had the price of silver remained as in 1907 the value of the product of 1908 would have been about \$12,000,000. The result is in any event very gratifying and is still due largely to development work. The most notable new areas are in the Montreal River district about 75 miles north-west of Cobalt, where the general conditions seem to be practically similar to those at Cobalt. It is too early as yet to guess whether Cobalt is to be repeated. The shipments from Cobalt have been made by about 40

companies ; 24 of these are regular shippers, and 15 are paying dividends. Unfortunately these 15 dividend payers are the examples upon which numerous companies are being created, most of which will not reach the dividend paying stage. The total capital of the companies listed on the Exchange is about \$56,000,000 and their shares are quoted as worth about \$58,000,000. In addition to these there are many companies whose shares are not listed. It is of course possible that this rich camp may as a whole justify these figures, but, if so, it will almost surely mean that a few have made large sums while a very large number of exceedingly foolish people have lost all that they had invested. While Cobalt can produce silver cheaper than any mining area in the world except those where it is a by-product, the fall in the world's price for silver is disappointing. If the low price continues many mines in other countries must close down, and this would tend to a movement upward.

The total value of all minerals produced in Canada in 1907 was \$86,000,000, against \$65,000,000 five years ago and \$10,000,000 twenty years ago.

While the smaller number of immigrants and other travellers, and the lessened imports, have been unfavourable factors, Montreal as a port has done well during the past year. It now occupies the fifth place in North America, being surpassed by New York, Galveston, Boston and New Orleans. The value of incoming and outgoing *merchandise* for 1907 was \$192,000,000, and to meet the requirements of this great trade the Harbour Commissioners have made important improvements of the most modern character. The Marine and Fisheries Department have also for some years past been steadily improving the lighting of the St. Lawrence, and it is claimed that during the last eight years the decline in insurance rates has been such as to make a saving to freight and vessel owners combined of about \$6,000,000.

MANITOBA, SASKATCHEWAN AND ALBERTA.

There is little to say this year about the prairie provinces that is not pleasant to hear. So far as agriculture is concerned the work of seeding was done under very good conditions, and with ideal weather in June, the sanguine hopes of early July, which went as high as 125,000,000 bushels for wheat, were not without justification. But July was too hot and in August there was some frost. The total yield did not come up to the calculations of the most optimistic, but it is the largest ever secured in all kinds of produce. Both yield and grade, when the grain was not frosted, were good, and with prevailing prices the money return is of course larger than in any previous year. Our estimate of the total quantity of cereals is as follows: Wheat, 106,040,000 bushels; oats, 103,200,000 bushels; barley, 23,380,000 bushels; or in all, 232,620,000 bushels, against 160,000,000 in 1907 and 32,000,000 in 1900. The West has seldom had a season more favourable for the threshing and movement of the crop, and also for the preparation of the land for the following year. As a consequence it is estimated that the acreage for 1909 will exceed that of 1908 by 15 to 20 per cent., making a total acreage of 11,500,000, of which about 7,250,000 will be in wheat. With this bountiful crop for 1908 and the handsome promise for 1909 it is well not to forget such years as 1907. There are many avenues of economy and profit open to the Western farmer which, because of the ease with which he acquires wealth, he is apt to neglect. This is unfortunate for the country as a whole, and some day it may be unfortunate for him. Apparently he does not always prepare in the fall as large an acreage as possible for early seeding in the spring, nor is he always careful to use good seed; he does not use fertilizers to any reasonable extent, nor destroy noxious weeds with sufficient vigour, nor does he prepare for a proper rotation of crops; and it is regrettable that the higher branches of farming,

such as dairying, the breeding of good cattle, horses, hogs and sheep, and the raising of poultry, are not being more rapidly developed. However, the Manitoba Government is doing good educative work of this kind in its Agricultural College, and the Governments of Alberta and Saskatchewan have shown in many ways that they are alive to these most important questions. The example also of the well trained farmers who are to be found in many districts must tell in time; indeed, there are many parts of the three provinces in which great progress in mixed farming is already noticeable.

From the best information we can get the year just closed is regarded as an exceptionally good one in the cattle trade. Prices have been satisfactory and the European markets have been steadier than at any time since 1892. The prospects for a continuance of good prices seem particularly bright owing to the general shortage of cattle in all exporting countries, and especially in the United States. Canadian herds from the Atlantic to the Pacific are now reported by Government experts to be entirely free from disease, and a most careful quarantine against foreign countries as to cattle, cattle products, and horses, is being maintained. On the Western ranges the grass is excellent and well cured, and animals intended for next year's market should come through the winter in good condition. While it is difficult to obtain reliable records of the number and total movement of cattle in the West, the following figures will be of interest. The shipment for export for the last four years has been as follows:—

1905.....	64,287
1906.....	86,575
1907.....	53,556
1908 (to 5th December).....	100,454

These figures indicate clearly the severity of the winter of 1906-7, and also the recovery from its effects. The total

number of cattle, horses and sheep in the three provinces is estimated as follows:—

	Cattle.	Horses.	Sheep.
1901.....	942,625	340,329	182,616
1906.....	1,944,598	682,919	304,531
1908.....	2,073,840	737,659	307,682

Now that the slight check to the growth of the West, caused by the world-wide stringency in money, the poor crops of cereals and the bad winter for cattle, is passing, it may be well, if you are not already tired with figures, to give some of the evidence afforded by statistics of the rapid growth of the prairie provinces. We have already dealt with grain and cattle. In lumber the cut for the country between Lake Superior and the Rocky Mountains—a district not very important in timber areas compared with other parts of Canada—has grown from 119,000,000 feet in 1899 to 266,000,000 feet in 1907. In coal from mines in Alberta and Saskatchewan, the growth in the same period has been from 334,000 to 1,757,000 tons. The grain storage capacity, including terminal elevators, has grown from a little under 20,000,000 bushels in 1899 to 61,000,000 bushels in 1908. The milling capacity, of which we have no records for 1899, has grown from under 20,000 barrels per day in 1903 to over 40,000 barrels per day in 1908.

The railway mileage in the three provinces has grown from 2,000 miles in 1900 to 8,560 miles in 1908, and the demand for branch lines is still as pressing as ever. The Premier of Alberta has stated his views as to the necessity for greater transportation facilities in his province so urgently, that we cannot doubt but that his people and those of Saskatchewan are keenly alive to the advantage and necessity of being able to get their crops speedily to the seaboard. The movement of cars will illustrate the poorness of the crop of 1907 and the excellence of the crops of



FORT FRANCES, ONT.

1906 and 1908, and also the improved capacity of the railroads. For the twelve months ending 31st August, 1907, the number of cars carrying grain was 80,507; for the corresponding period in 1908, 63,978, while for only three months of 1908, from September to November inclusive, the number was 48,898. In southern Alberta and at scattered points elsewhere there have been strong complaints of car shortage, but as a whole the service of the railroads has been better than usual.

The number of homesteads and pre-emptions exceeds all previous records, partly because of the new Land Act, which came into force only on 1st September, since which time a great rush has occurred. The number of entries during the first nine months of the past three years has been as follows:

1906	1907	1908
37,690	23,129	41,963

It seems safe to assert that the new policy of the Dominion Government regarding the desirability or otherwise of those who propose to settle in Canada is bearing good fruit, as those who have taken up land during 1908 have been as a rule of a better class than in previous years. The number of settlers coming into the three provinces during the past year is estimated at 105,000, of whom about 40 per cent. were from the United States.

The population of the three provinces has grown from 414,000 in 1901 to 975,000 in 1908; the value of goods entered at the Customs Department from \$6,200,000 in 1899 to \$26,000,000 in 1907; the number of branch banks from 29 in 1889 to 507 in 1908; the bank clearings from \$107,786,000 in 1899 to \$717,423,000 in 1908.

These figures abundantly illustrate the prosperity of the West, and we may fairly expect that Eastern business dependent on the West will now improve. Still it must be remembered that, owing to the poor crop and the cattle

losses of 1907, the West, so far as its immediate buying power is concerned, is not very much ahead of where it was at the end of 1906. It is sincerely to be hoped that the desire to spend freely and to incur debt will not immediately return, and that some of the lessons in economy may remain permanently impressed upon the people.

BRITISH COLUMBIA.

Depending as this province does on a few very important staple products, and not upon general agriculture or a diversity of manufactures, the decline in trade elsewhere was at once reflected in the demand and prices for such products.

The lumber business has been even less satisfactory than in the East. The demand from the prairie provinces was necessarily very small, owing to poor crops and tight money, and for export little business was possible, and only at unsatisfactory prices. To the extent of the stocks of lumber on hand, and of such logging and lumber or timber making as could not be avoided, losses will be sustained, but, as we have said before, the log is near the mill in the Pacific areas, and therefore adjustment of supply to demand is quickly made. As a consequence, there is already a better outlook, and we may hope to see this important trade in a healthy condition again before long. The value of standing timber has practically not been affected by the stringency in money, although there may have been some speculators who were forced to sell at a concession. Whether the estimate of the total quantity of timber in British Columbia, which I shall give later, is accurate or not, the value of it is so enormous that too much cannot be said in favour of proper forestry regulations. The loss by fire is simply appalling when reduced to money value, and the loss by careless and wasteful operations, both in

the woods and at the mill, seems even more inexcusable, because it might be more easily remedied.

The output of coal in the province, which in 1907 was 2,220,000 long tons, fell to 2,013,000 in 1908, but in view of the fire in the Crow's Nest Pass and the shrinkage in trade, this is not a very serious recession in production. Copper mining ranks next in importance to coal in British Columbia, and the fall in the price of copper is, perhaps, the most noticeable feature in connection with the check to the world's expansion. But, notwithstanding the fact that the copper market has been dull during the whole year, and the price as low as 11 to 13½ cents, as against an average of 20 cents in 1907, the mining and smelting industries of the Boundary district have been actively and even profitably employed. Ore shipments are larger than in 1907 or any previous year; additions are being made to plants to increase the present large daily output, new records in which have been made this year. The two large companies are now able to treat from 150,000 to 175,000 tons monthly. Recent diamond drill borings have confirmed the impression that they have an almost inexhaustible supply of ore, and as the trying time they have experienced as to prices has shown how cheaply they can produce the copper, there seems no reason to fear that this great district will not permanently hold its important place in copper production. There was a moderate increase in the quantity of ore treated or mined at Rossland, but a larger decrease in other Kootenay mines, leaving the totals for eleven months at 386,000 tons, against 417,000 tons for the same period in 1907. The great fall in price of copper, silver and lead has accentuated the difficulties of costly transportation, lack of capital, and sometimes lack of experience, in the various mining fields in British Columbia; yet there is a great deal of activity in them at the present time, and eventually many new mining areas must become important sources of wealth to

the province. Most noticeable among these, both in development work and in railroad building directly connected with mining, are the various areas in Northern British Columbia and the lower part of Yukon, which are more or less tributary to the White Pass and Yukon Railway. It is too early to say anything definite about the ultimate value of the copper and silver properties in these new mining fields, except that with the next rise in copper the mines of that character will doubtless become profitable.

The planting of trees, with a view to future fruit crops, is progressing rapidly, and the fruit produced in 1908 was excellent in quality and in yield. Prices, although generally profitable, were affected by the depression in trade, but the growers suffered mainly from the lack of organization in this comparatively new industry. The very large number of trees now being planted will before long come into bearing, and the perfecting of arrangements for packing, the supply of labour, cheap and rapid transportation, the selection of the best markets, etc., will suddenly become subjects of vital concern. There is an evident improvement in many of these features every year, and we must hope that the railroads will soon be able to give better service at lower rates.

In general farming there is considerable progress, especially in the valley of the Fraser, but British Columbia still buys from Eastern Canada very large quantities of dairy products, eggs and other things, all of which should be produced in the province.

The salmon pack last year was 542,689 cases. This was one of the lean years, but the catch has been considerably larger than that of the corresponding year of 1904. This year the big catch is due. Halibut fishing grows in importance, but, unless our rights are guarded, the advantages are likely to continue to be gained by our neighbours. During 1908 about thirty-nine million pounds of halibut

caught off the coast of British Columbia were shipped to Seattle, as against thirteen million pounds to Vancouver. If the conditions surrounding the catching of these fish by Americans are in all respects within the law, we have no right to complain, but it is claimed that if the law were strictly observed, fishing by American vessels would be practically impossible in any large way. We should have government cruisers in sufficient numbers to protect our rights, and there is no time to be lost in attending to this. These remarks are just as pertinent to the fishing grounds which should be tributary to Prince Rupert as to those in other British Columbia waters.

Taken as a whole, the province has had another year of prosperity and of satisfactory development, looking towards a much enlarged future. It has suffered considerably from the temporary decline in the lumber trade and from the terrible fire in the Crow's Nest Pass. But the rebuilding of Fernie on a larger and more solid basis than ever is significant of the West. Such troubles are but incidents which may delay but cannot stop the growth of the country. In other respects, while trade has been restricted somewhat, as elsewhere, almost all classes have contrived to make or save money. The Provincial Government, so hampered, some years ago, by the smallness of its revenues, collected last year nearly six million dollars in government dues, only about ten per cent. of which was from direct taxation. The revenue in 1903 was only two millions. Victoria continues to grow and Vancouver seems destined to become a great city. Assessed values in Vancouver have risen from \$19,500,000 in 1900 to \$61,700,000 in 1908.

Before passing to the United States, it may be well to repeat the statement recently made by the Census and Statistics Office regarding the quantities and values of the field crops of Canada. The area of these crops exclusive of British Columbia is given as 27,505,663 acres, and the computed value at the average local market price as

\$432,533,000. These figures show an average value per acre for the field crops of the Dominion, of \$15.72.

UNITED STATES.

While it was impossible that the three Pacific states in which we are directly interested should fail to feel the effects of disturbance in the markets elsewhere, the check to business did not become generally acute or lead to widespread financial distress, and conditions are now growing steadily, although slowly, more normal.

The markets for lumber, the depression in which had set in a year ago, were worse than those for any other leading commodity. The larger manufacturers shut down, thus stopping production, but many of the smaller mills could not do so, and a general slaughter in prices took place. The natural difficulties were intensified by the action of the railroads in increasing freight rates to points east of the Missouri River, thus closing these markets to the Pacific Coast lumbermen for the moment. But already the change for the better is most apparent. Most of the larger mills are again running on full time, and with a good supply of orders; freight rates have been somewhat improved; railroads, which were practically not buyers during most of the year, are calling for bids on a large scale; the demand for ordinary building purposes is already very important, and a return to normal conditions in the near future seems assured.

In view of the rapid destruction of timber going on throughout the world, a correspondent of the *London Times*, in a recent article, draws attention to the quantities estimated as still standing in the Pacific Coast areas of North America, as follows:—Oregon, 225 billion feet; Washington, 195 billion; California, 180 billion; British Columbia, 150 billion; Idaho and Montana, 100 billion; a total of 850 billion feet. Canada, as a whole, is credited with 500 to 600 billion feet. The deep interest of the European

world in these last great stands of timber in North America should not be forgotten when we consider our own national future. We may see the forests on which we have placed so much reliance disappear with a rapidity we have not supposed possible. The quantity and value of the lumber produced from the Douglas fir of Oregon and Washington, the sugar pine, the white pine, and the redwood of California, all combined, will illustrate in a startling manner the depletion which is going on, and the enormous money value of these staples:—

	FEET.	VALUE.
Total production 1905..	4,940,000,000	.. \$ 73,450,000
“ “ 1906..	6,080,000,000	.. 104,200,000
“ “ 1907..	5,200,000,000	.. 85,500,000

Taking all varieties of lumber into account, Washington exceeds all other states in output, the product in 1907 being nearly 4,000,000,000 feet. The total product of the whole United States in 1907 was about 40,000,000,000 feet, with an estimated value of \$666,000,000.

The wheat crop of the three states was much smaller than the unusual crop of 1907. Prices were somewhat higher, partly owing to the large requirements of California, now hardly to be regarded as a wheat-growing state. The export trade was surrounded by several difficulties, one in particular being the fact that the price for home consumption generally exceeded the export price. The trans-Pacific flour trade has experienced a sharp check. Financial difficulties and the further fall in the value of silver in China, the high protective duties placed on wheat and flour in Japan, and high prices at home, have made shipments nearly impossible for the time being. In oats and barley, as well as wheat, the decline in production as compared with 1907, was, roughly speaking, from twenty-five to forty per cent. In hops there has been another serious falling off in acreage and yield, and the results have

been quite unprofitable. Taking Oregon as an example, whereas in 1906 this state produced 160,000 bales, and the United States, as a whole, 365,000 bales, against 137,000 bales in England, in 1908 Oregon only produced 80,000 bales, the United States, as a whole, 200,000 bales, against 291,000 bales in England.

While the early promise of an unusually large fruit crop was not fully borne out, the crop was very large, although the fruit was much smaller than usual. Financial conditions prevented the smaller canners from packing as much as usual; but prices were low, and in consequence, the large canners prepared enormous stocks to be carried over to next year when necessary. An extensive business in shipping fresh deciduous fruit to the Eastern cities is developing. About 12,000 cars of this class of fruit left California in 1908, and about 30,000 cars of citrus fruits. While the fall in price was very great indeed, the year has, except to the small canners referred to, been a good one on the whole, and in citrus fruits one of the best on record. We are unable to obtain statistics regarding the planting of fruit trees in Washington and Oregon, but it is being done on a large scale, and these States, already important as producers, are likely to become still more so in certain kinds of fruit. The year has been exceptionally favourable for producers of sugar, both in the Hawaiian Islands and in California. Crops have been larger than in any previous year, and prices have averaged \$78 per ton of 2,000 pounds, against \$70 in 1907. The Hawaiian crop was 521,000 tons in 1908, as compared with 440,000 tons in 1907. The beet-root sugar crop in California will be about 91,000 tons, against about 72,000 tons in 1907. The total value of the products taken from the soil of California in 1908 makes the astonishing total of \$388,000,000, against \$360,000,000 in 1907. Of this, \$80,000,000 is credited to the forest, and \$55,000,000 to the mine. This leaves \$253,000,000 from the field, orchard, vineyard, dairy, etc.,

and these are avenues of industry which will annually produce a yield in proportion to the intelligent labour of man and the bounty of nature.

Although 1908 was one of the years in which a large catch in salmon was not expected, the catch was larger than in 1907, and the year has been quite satisfactory, packers generally having made money. The market is strong and comparatively bare of stocks—an excellent position for the packers, in view of the large catch due in 1909. The total pack of the whole Pacific Coast from the Columbia River to Alaska, including British Columbia, is estimated at 3,630,000 cases, valued at \$14,000,000.

The yield of petroleum in California has been about 46,000,000 barrels, worth at the well about \$23,000,000, against about 40,000,000 barrels in 1907. The consumption of fuel oil in the state is equivalent to about 4,000,000 tons of coal. The state imported in 1907 883,000 tons of coal, as compared with 1,450,000 tons in 1898. So that if oil had not been discovered in California, and the industries now dependent on it could have been profitably established on the basis of using imported coal, imports of nearly 5,000,000 tons per annum would now be necessary to carry them on.

The trade with Alaska, largely controlled by Seattle, has been less than in previous seasons, partly for financial reasons and partly because of lack of water for mining purposes. The total receipts of gold at the Seattle Assay Office for the nine months ending 31st October were valued at \$17,300,000. These are slightly better results than for 1907.

The financial events of the early part of the last year in the United States have excited too keen attention to demand much comment on our part. During most of the year trade was restricted, not merely as an effect of the panic, but because of the Presidential election. Recently the tendency of trade, as a whole, has been towards im-

provement, but not to the extent hoped for a month or two ago. The inevitable shrinkage in imports, combined with good exports, has caused the excess of exports, which for the ten months ending 31st October, 1907, had been \$292,000,000, to grow to the very large sum of \$502,000,000. Deposits in New York banks, taking a day early in December as an example, have grown from about \$1,000,000,000 in 1906 and 1907 to \$1,400,000,000, and cash reserves from \$250,000,000 in 1906 to \$385,000,000 in 1908. One of the most interesting features of the present contraction is that, while the prices of iron, copper, lead, tin and cotton have all fallen sharply to meet the lessened demand, beef, lard, wheat, flour, Indian corn, oats and sugar are all higher than in 1906 and 1907, because of the short supply of food-stuffs throughout the world.

There should be nothing in connection with the business position of the United States so deeply interesting to the European world and to Canada as the possibility of reform in their banking and currency systems. This has been discussed with fluctuating interest during so many years, that doubt as to their willingness to grapple with these extremely difficult and complex problems naturally arises. The fact, however, remains that we are at present liable to periodic disturbance of the world's finances to a degree quite unnecessary, because in that great country, notwithstanding its wonderful organization for other industrial purposes, the machinery does not exist for managing the credit transactions of the people without periodical panics. Let us hope that the present Currency Commission will really produce results.

The motion for the adoption of the Report was then seconded by the Vice-President, and carried unanimously.

The President: I will now ask you to listen to Mr. Lash, who will move a resolution regarding the by-laws.

Mr. Z. A. Lash, K.C.: The shareholders are aware that under the Bank Act there are certain specified matters, by-laws regarding which are passed by the shareholders. These by-laws have been amended many times, and it was thought well to consolidate and revise them.

By-laws from I to VII have not been changed, except in a few phrases.

Up to last year the Pension Fund was operated directly under the authority of the Directors, but, inasmuch as the employees of the Bank have now a very substantial interest in this fund, through having contributed a certain percentage out of their salaries, it was thought wise to transfer the administration, care, oversight and investment of the fund to a Board of Trustees consisting of officers of the Bank. While, therefore, the future management of the fund is left to this Board of Trustees, it was thought wise that the Directors should retain a certain control over the matter. It was also felt that changed conditions might arise, as the years go by, which would not be provided for by the trust deed. We, therefore, propose to make an addition to by-law No. VII, as follows: "The Directors, for special reasons to be stated in their resolution, may grant to any person in the employ of the Bank, in addition to or in substitution for any allowance under the Rules and Regulations of the Pension Fund, such retiring allowance as they may decide." You will notice that before the Directors can exercise this power they must have special reasons for so doing, and must set them out in their resolution.

The next by-law is new. From year to year the Bank has contributed to certain public, patriotic and special purposes, certain sums, which have to be submitted to the shareholders at the annual meeting for their approval. This has now become almost an annual occurrence, and as there is a call upon the Bank from time to time to recognize the inherent duty which it owes to the community

by contributing to certain special, unexpected and deserving objects, the shareholders are now asked to pass a by-law which, I think, will cover this point:

“VIII. The Directors may from time to time contribute to public, patriotic or charitable objects sums not exceeding \$5,000 in all in any one year.”

I now beg to move, seconded by Dr. Hoskin, that by-laws I to IX, as read to this meeting, be, and the same are, hereby enacted as the by-laws of The Canadian Bank of Commerce.

Dr. Hoskin: I have much pleasure in seconding that resolution.

The President: You have heard the resolution. May I add this, that there may be years in which we may be called upon for a larger sum than that mentioned here. We shall expect upon each of such occasions to come to the shareholders for their concurrence.

Mr. F. C. Bruce: I will now move 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. I am sure that the admirable Report which has been read to us leaves no room for criticism. All we can expect and hope for is that we will have just as good a showing at the end of this year.

Mr. Henry Beatty: I have much pleasure in seconding the motion.

The President: While this may seem a perfunctory resolution, I am sure that we do not so consider it, and it is appreciated very much by the Board.

Mr. Davidson: I think the next resolution deserves special notice and attention. I move:—That the thanks of the meeting be tendered to the General Manager, the Superintendent of Branches and other officers of the Bank for the satisfactory discharge of their respective duties during the past twelve months.

We have looked at the financial statement which has been presented to us, but I am quite sure that there are very few of us who have any conception of what it is to manage 122 millions of assets, and the mention of that sum does not seem to me to bring to our minds any adequate idea of what it really involves. I have never been a banker, but I have seen enough of banking and other business to know that it means the turning over of that sum a number of times every twelve months, and with the greatest possible care, that the losses may be as small as possible.

Everyone must be satisfied with the courtesy which is extended to the customers of the Bank. It is over thirty years since I first became a customer of The Canadian Bank of Commerce, and I have yet to learn of anyone being treated with any want of courtesy. Its managers have been men of ability, resource and intelligence, and have been willing to use these qualities not merely for the benefit of the Bank, but also for the good of their customers. That is one reason why The Canadian Bank of Commerce has developed as it has. The other officers of the Bank have done their duty, and I think they well deserve a hearty vote of thanks.

Mr. F. J. D. Smith: I have much pleasure in seconding this motion. I am glad to endorse what has been said with reference to the courtesy of the staff.

Mr. Laird: I am sure that it is always gratifying to have this resolution passed at this meeting. We think that probably the rank and file of the Bank's staff would feel somewhat discouraged and disappointed if this recognition of their efforts throughout the year was not made. They endeavour to do their full duty with loyalty to the Bank. It is a rather difficult matter to manage a bank of this size, and probably the most onerous duty that we have to perform is to look after the staff. We try to make every young man who comes into the Bank believe

that he will receive every encouragement. We believe that we have done well during the past year, and we recognize and appreciate your thanks, and go forward with the determination still to show our loyalty in good service to The Canadian Bank of Commerce.

In the course of our arrangements we have found it advisable to make a geographical division of the work of the Bank, and it has given us very great pleasure and satisfaction to appoint Mr. Aird Superintendent of Central Western Branches. I will ask him to add a few words in reply to this resolution.

Mr. Aird: On behalf of the officers in the Central Western district, I can assure the shareholders that the resolution is not looked upon by any of them as an empty compliment. I am sure that there would be a feeling of disappointment if they were to omit this from the minutes of their annual meeting.

The men in Western Canada have many difficult position to fill. The country is new, and home comforts are not always to be got. Still, I have yet to meet the man in Western Canada who has failed to respond to the Bank's call—in fact, the men out there regard themselves almost as soldiers, with their knapsacks strapped on their backs, ready to go at a moment's notice.

Mr. H. D. Warren: I have much pleasure in moving: 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 two 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.

Mr. E. R. Wood: I second the resolution.

The meeting was then adjourned, and the scrutineers subsequently reported the following gentlemen to be elected as Directors for the ensuing year: B. E. Walker,

C.V.O., LL.D., Robert Kilgour, Hon. George A. Cox, M. Leggat, James Crathern, John Hoskin, K.C., LL.D., J. W. Flavelle, LL.D., A. Kingman, Hon. L. Melvin Jones, Frederic Nicholls, H. D. Warren, 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.



FORT WILLIAM, ONT.

