

THE CANADIAN BANK
OF COMMERCE

ANNUAL REPORT

30TH NOVEMBER, 1912



THE CANADIAN BANK OF COMMERCE

CAPITAL PAID-UP - - - - - \$15,000,000
 REST - - - - - 12,500,000

DIRECTORS:

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L. - - -	PRESIDENT
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ROBERT STUART, Esq.	H. J. FULLER, Esq.
SIR JOHN MORISON GIBSON, K.C.M.G., K.C., LL.D.	F. P. JONES, 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.

CHARLOTTETOWN BOARD:

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

SHERBROOKE BOARD:

WM. FARWELL, Esq., D.C.L., Chairman
 GARDNER STEVENS, Esq. J. S. MITCHELL, Esq.
 C. H. KATHAN, Esq. F. N. McCREA, Esq., M.P.
 B. C. HOWARD, Esq.

THE CANADIAN BANK OF COMMERCE

HEAD OFFICE: TORONTO

PRESIDENT - - - - Sir Edmund Walker, C.V.O., LL.D., D.C.L.

GENERAL MANAGER - - - - - Alexander Laird

ASSISTANT GENERAL MANAGER - - - - - John Aird

SUPERINTENDENT OF BRANCHES - - - - A. H. Ireland

SUPERINTENDENT OF PACIFIC COAST BRANCHES - - - H. H. Morris

SUPERINTENDENT OF CENTRAL WESTERN BRANCHES - V. C. Brown

MANAGER-IN-CHIEF, EASTERN TOWNSHIPS DIVISION - J. Mackinnon

CHIEF INSPECTOR - - - - - R. A. Rumsey

ACTING INSPECTOR - - - - E. L. Stewart Patterson

INSPECTORS
Wm. Hogg, W. Spier, F. B. Francis, C. L. Foster

ASSISTANT INSPECTORS
J. B. Corbet, J. A. C. Kemp, E. E. Henderson, G. G. Laird

AUDITOR - - - - - E. C. Grundy

SUPERVISOR OF BANKING ACCOUNTS AND EXCHANGES - T. F. Aspden

SUPERVISOR OF BANK PREMISES - - - - - Duncan Donald

SECRETARY - - - - - A. St. L. Trigge

BRANCHES

BRITISH COLUMBIA AND YUKON—

CHILLIWACK	K. V. MUNRO	Manager
COURTENAY	"	"
CRANBROOK	R. T. BRYMNER	"
CRESTON	P. B. FOWLER	"
CUMBERLAND	W. T. WHITE	"
DAWSON, YUKON	H. C. MORRIS	"
DUNCAN	E. W. CARR HILTON	"
FERNIE	L. A. S. DACK	"
GOLDEN	N. M. FOULKES	"
GRAND FORKS	C. H. NILES	"
GREENWOOD	J. T. BEATTIE	"
KAMLOOPS	G. S. HOLT	"
KELOWNA	H. G. PANGMAN	"
KEREMEOS	R. H. CARMICHAEL	"
LADYSMITH	L. M. DEGEX	"
MISSION CITY	W. H. MATHEWSON	"
NAKUSP	H. L. ROTHWELL	"
NANAIMO	E. H. BIRD	"
NELSON	J. S. MUNRO	"
NEW WESTMINSTER	H. R. DAVIDSON	"
PENTICTON	THOMAS ANDREWS	"
PHOENIX	F. E. BRINE	"
PRINCE RUPERT	J. M. CHRISTIE	"
PRINCETON	J. D. ANDRAS	"
REVELSTOKE	F. M. GIBSON	"
ROCK CREEK	J. T. BEATTIE	"
SALMON ARM	A. J. MARLOW	"
SOUTH HILL	F. W. HEATHCOTE	"
SUMMERLAND	P. S. WOOD	"
VANCOUVER	{ WILLIAM MURRAY	"
	{ M. D. HAMILTON	Asst. Mgr.
Do. EAST	C. W. DURRANT	Manager
Do. FAIRVIEW	M. NICHOLSON	"
Do. HASTINGS AND CAMBIE	W. H. HARGRAVE	"
Do. KITSILANO	P. GOMERY	"
Do. MOUNT PLEASANT	J. G. MULLEN	"
Do. NORTH VANCOUVER	J. A. FORSTER	"
Do. PARK DRIVE	W. H. JAMES	"
Do. POWELL ST.	H. B. GORDON	Act. Mgr.
VERNON, B.C.	J. I. E. CORBET	Manager
VICTORIA, B.C.	{ F. L. CRAWFORD	"
	{ R. W. H. KING	Asst. Mgr.
Do. NORTH	H. R. BEAVEN	Manager
Do. OAK BAY AVE.	A. B. MOREKILL	Act. Mgr.
Do. PANDORA AND COOK	R. S. ROSS	Pro Mgr.
WHITE HORSE, YUKON	D. ROSS	Manager

SUB-AGENCY

NARAMATA	Sub-Agency to Summerland	Open for business Mon., Wed., and Fri.
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WESTERN PROVINCES—

ATHABASKA LANDING, ALTA.	H. H. LOWE	Manager
BASSANO, ALTA.	H. C. STRANGE	"

BRANCHES—Continued

BAWLF, ALTA.	M. R. COMPLIN	Manager
BENGOUGH, SASK.	J. E. GRASETT	Pro Mgr.
BIGGAR, SASK.	J. A. CLARK	Manager
BLAINE LAKE, SASK.	H. S. J. OATES	"
BRANDON, MAN.	A. MAYBEE	"
BRIERCREST, SASK.	L. ENMAN	Pro Mgr.
BRODERICK, SASK.	G. W. SUTHERLAND	Manager
CALGARY, ALTA.	E. M. SAUNDERS	"
Do. EAST	W. H. MARTIN	Act. Mgr.
Do. MOUNT ROYAL	C. B. F. JONES	Manager
Do. SOUTH	W. D. LAWSON	"
CANORA, SASK.	A. L. JENSEN	"
CARMAN, MAN.	F. J. MACOUN	"
CARMANGAY, ALTA.	W. G. HAMILTON	"
CHAMPION, ALTA.	E. G. OGILVIE	"
CLARESHOLM, ALTA.	D. CLARKSON	"
COLEMAN, ALTA.	R. B. BUCHANAN	"
CROSSFIELD, ALTA.	S. H. BRAY	"
CUDWORTH, SASK.	H. O. GUDGIN	"
DAUPHIN, MAN.	E. R. JARVIS	"
DELISLE, SASK.	J. O. MACCALLUM	"
DRINKWATER, SASK.	K. W. REIKIE	"
EDAM, SASK.	A. R. GRAHAM	"
EDMONTON, ALTA.	T. M. TURNBULL	"
Do. STRATHCONA	G. W. MARRIOTT	"
ELBOW, SASK.	R. P. MORRISON	"
ELFROS, SASK.	A. W. PENTLAND	"
ELGIN, MAN.	M. St. C. McLEAN	"
ELKHORN, MAN.	R. H. BROTHERHOOD	"
GILBERT PLAINS, MAN.	C. B. NARRAWAY	Act. Mgr.
GLEICHEN, ALTA.	JAMES CAMERON	Manager
GRANDVIEW, MAN.	A. W. CHAMBERS	"
GRANUM, ALTA.	C. A. MERCER	"
GROUARD, ALTA.	H. S. BRUCE	Pro Mgr.
HANNA, ALTA. (P. O. Copeville)	S. H. CURRAN	Manager
HARDISTY, ALTA.	W. R. ALGER	"
HAWARDEN, SASK.	F. S. BEATTIE	"
HERBERT, SASK.	R. N. SHAW	"
HIGH RIVER, ALTA.	A. G. VERCHÈRE	"
HUMBOLDT, SASK.	H. G. MATHEWSON	"
INNISFAIL, ALTA.	WM. HILBORN	"
INNISFREE, ALTA.	F. E. HAWLEY	"
KAMSACK, SASK.	W. J. F. ROSS	"
KERROBERT, SASK.	W. D. ELLIOT	"
KINDERSLEY, SASK.	W. V. GORDON	"
KITSCOTY, ALTA.	W. STUCKEY	Pro Mgr.
LAIRD, SASK.	C. H. ANDERSON	Manager
LAKE SASKATOON, ALTA.	C. CADY	"
LANGHAM, SASK.	A. HAMILTON	Act. Mgr.
LANIGAN, SASK.	W. E. D. FARMER	Manager
LASHBURN, SASK.	A. J. REYNOLDS	"
LE PAS, MAN.	T. S. LEITCH	"
LETHBRIDGE, ALTA.	C. G. K. NOURSE	"
LEWVAN, SASK.	T. WINSBY	Pro Mgr.

BRANCHES—Continued

LLOYDMINSTER, SASK.	H. B. HAINES	Manager
LOUGHEED, ALTA.	R. W. WINFIELD	"
MACLEOD, ALTA.	A. H. ALLEN	"
MARCELIN, SASK.	J. B. ROBINSON	"
MEDICINE HAT, ALTA.	W. G. LYNCH	"
MELFORT, SASK.	H. J. NEALE	"
MELVILLE, SASK.	A. W. WHITE	"
MILESTONE, SASK.	W. HASTIE	"
MILK RIVER, ALTA.	R. H. WILSON	Pro. Mgr.
MIRROR, ALTA.	N. H. G. RUTHVEN	Manager
MONARCH, ALTA.	L. CUTHBERT	Act. Mgr.
MOOSEJAW, SASK.	H. M. STEWART	Manager
MOOSOMIN, SASK.	D. I. FORBES	"
MORSE, SASK.	F. H. ADAMSON	"
NANTON, ALTA.	R. MORRIS SAUNDERS	"
NEEPAWA, MAN.	D. H. GORDON	"
NEW DAYTON, ALTA.	M. L. GORDON	"
NOKOMIS, SASK.	A. F. McCONKEY	"
NORTH BATTLEFORD, SASK.	E. A. FOX	"
NUTANA, SASK.	J. MCK. KEY	Act. Mgr.
OLDS, ALTA.	W. C. DUNCAN	Manager
OUTLOOK, SASK.	J. A. SMITH	"
PINCHER CREEK, ALTA.	L. F. CROSS	"
PONOKA, ALTA.	L. G. CROZIER	"
PORTAGE LA PRAIRIE, MAN.	J. H. MORRISON	"
PRINCE ALBERT, SASK.	E. G. SHANNON	"
PROVOST, ALTA.	F. W. WEST	"
RADISSON, SASK.	HY. KERR	"
RADVILLE, SASK.	C. PADLEY	"
RED DEER, ALTA.	W. L. GIBSON	"
REGINA, SASK.	A. W. RIDOUT	"
RIVERS, MAN.	B. L. BROWN	"
SASKATOON, SASK.		
Do. WEST SIDE	W. P. KIRKPATRICK	"
SHELLBROOK, SASK.	W. P. REYNOLDS	Act. Mgr.
STAVELY, ALTA.	R. C. HAYWARD	"
STONY PLAIN, ALTA.	R. ROBERTS	"
STRATHMORE, ALTA.	C. LOMER MILES	Manager
SWAN RIVER, MAN.	G. H. WINSTANLEY	"
SWIFT CURRENT, SASK.	W. J. SAVAGE	"
TABER, ALTA.	GEO. E. EWING	"
TILLEY, ALTA.	A. H. MUNROE	Pro Mgr.
TRANSCONA, MAN.	E. W. BASSETT	Manager
TREHERNE, MAN.	H. L. WETHEY	"
TUGASKE, SASK.	C. S. FREEMAN	"
VEGREVILLE, ALTA.	J. H. S. GORDON	"
VERMILION, ALTA.	A. F. TURNER	"
VIRDEN, MAN.	F. C. WHITEHOUSE	"
VONDA, SASK.	W. C. HOPKINS	"
VULCAN, ALTA.	A. J. MAYNARD	"
WADENA, SASK.	F. A. CHAPMAN	"
WARNER, ALTA.	A. J. BURNSIDE	"
WATROUS, SASK.	J. H. DRENT	"
WATSON, SASK.	R. P. FINDLAY	"

BRANCHES—Continued

WETASKIWIN, ALTA.	H. I. MILLAR	Manager
WEYBURN, SASK.	A. S. SWINFORD	"
WILCOX, SASK.	H. J. WHITE	"
WILLOW BUNCH, SASK.	J. A. PARENT	"
WINNIPEG, MAN.	{ C. W. ROWLEY	"
	C. GORDON	Asst. Mgr.
Do. ALEXANDER AVE.	R. E. N. JONES	Manager
Do. BLAKE STREET	A. BUSHBY	Pro Mgr.
Do. ELMWOOD	F. C. BIGGAR	Manager
Do. FORT ROUGE.	L. E. GRIFFITH	"
Do. NORTH	C. F. A. GREGORY	"
Do. PORTAGE AVE.	G. M. PATTERSON	"
YELLOWGRASS, SASK.	H. G. HURLBURT	"
YORKTON, SASK.	H. L. EDMONDS	"
YOUNGSTOWN, ALTA.	D. THOMSON	Pro Mgr.

ONTARIO—

AYR	E. M. LOCKIE	Manager
BARRIE	H. J. GRASETT	"
BELLEVILLE	C. M. STORK	"
BERLIN	G. M. WEDD	"
BLENHEIM	O. F. ANDERSON	"
BRANTFORD	H. W. FITTON	"
BROCKVILLE	W. H. COLLINS	"
CAYUGA	C. D. NEVILL	"
CHATHAM	D. H. TOLMIE	Act. Mgr.
COBALT	S. H. LOGAN	Manager
COLLINGWOOD	H. C. DUNCAN	"
CORNWALL	A. E. CURRIE	"
CREDITON	G. L. WAUGH	"
DRESDEN	R. H. EDMONDS	"
DUNDAS	S. N. MOFFAT	"
DUNNVILLE	G. E. PARKES	"
EXETER	G. L. WAUGH	"
FOREST	G. E. CLARKE	"
FORT FRANCES	B. P. ALLEY	"
FORT WILLIAM	A. A. WILSON	"
GALT	C. E. A. DOWLER	"
GODERICH	G. WILLIAMS	"
GOWGANDA	A. Y. SNIDER	"
GUELPH	J. M. DUFF	"
HAMILTON	D. B. DEWAR	"
INGERSOLL	W. C. JOHNSTON	"
KINGSTON	P. C. STEVENSON	"
LINDSAY	H. A. HOLMES	"
LONDON	JEFFERY HALE	"
NIAGARA FALLS	C. BALLARD	"
ORANGEVILLE	R. H. NEILSON	"
OTTAWA	C. CAMBIE	"
Do. BANK STREET	C. R. ARMSTRONG	"
PARIS	D. H. DOWNIE	"
PARKHILL	T. L. ROGERS	"
PARRY SOUND	J. WALTON	"

BRANCHES—Continued

PETERBORO	W. H. DUNSFORD	Manager
PORT ARTHUR	A. W. ROBERTS	"
PORT COLBORNE	W. BULLOCK	"
PORT McNICOLL	J. P. TAILLON	Pro Mgr.
PORT PERRY	J. MCE. MURRAY	Manager
PORT STANLEY	H. E. TYLOR	"
RAINY RIVER	H. W. GRAHAM	"
ST. CATHARINES	R. G. W. CONOLLY	"
ST. THOMAS	H. E. TYLOR	"
SARNIA	J. L. BUCHAN	"
SAULT STE. MARIE		
Do. WEST END	{ A. D. McLEAN	"
SEAFORTH	W. C. T. MORSON	"
SIMCOE	W. C. J. KING	"
SMITHS FALLS	R. M. WATSON	"
SOUTH PORCUPINE	W. G. WHITESIDE	"
STRATFORD	R. T. MUSSEN	"
STRATHROY	L. H. DAMPIER	"
SUDBURY	D. DAVIES	"
THEDFORD	J. FULLER	"
TILLSONBURG	W. H. GREEN	"
TORONTO	{ D. A. CAMERON	"
	E. P. GOWER	Asst. Mgr.
Do. BLOOR AND DUFFERIN	A. S. HOUSTON	Manager
Do. BLOOR AND YONGE	JAMES BRYDON	"
Do. COLLEGE & DOVERCOURT	E. C. PRINGLE	"
Do. DANFORTH & BROADVIEW	W. C. JAMES	"
Do. EARLSCOURT	C. E. JOHNSON	"
Do. GERRARD AND PAPE.	N. ST. B. YOUNG	"
Do. MARKET	T. A. CHISHOLM	"
Do. PARKDALE	W. A. COOKE	"
Do. PARLIAMENT STREET	A. H. CREASE	"
Do. QUEEN AND BATHURST.	E. M. PLAYTER	"
Do. QUEEN EAST	P. P. JOHNSTON	"
Do. SPADINA AND COLLEGE	H. F. D. SEWELL	"
Do. WEST TORONTO	J. B. McCUAIG	"
Do. YONGE AND COLLEGE	G. C. T. PEMBERTON	"
Do. YONGE AND QUEEN	H. C. RAE	"
WALKERTON	H. M. LAY	"
WALKERVILLE	H. B. PARSONS	"
WATERLOO	F. W. DeMILLE	"
WIARTON	G. A. HOLLAND	"
WINDSOR	A. E. TAYLER	"
WINGHAM	E. B. WALKER	"
WOODSTOCK	F. CROSSLEY	"

QUEBEC—

ACTON VALE	E. R. TANNER	"
AYER'S CLIFF	F. A. JOHNSTON	"
BEDFORD	A. S. MCCAW	"
BEEBE	H. G. KIRWIN	"
BELOEIL	A. M. BRODEUR	"
BISHOP'S CROSSING	D. H. PARMELEE	"

BRANCHES—Continued

BLACK LAKE	J. R. BOIVIN	Manager
COATICOOK	L. M. THOMAS	"
COOKSHIRE	W. E. LEARNED	"
COWANSVILLE	H. F. WILLIAMS	"
DANVILLE	J. H. DOAK	"
DUNHAM	H. F. WILLIAMS	"
EAST ANGUS	D. H. PARMELEE	"
EASTMAN	C. W. HAWLEY	"
FARNHAM	G. C. BORIGHT	"
FRASERVILLE	A. GUAY	"
FRELIGHSBURG	F. DUTHIE	"
GRANBY	A. C. SMITH	"
HEMMINGFORD	P. H. M. SOMERVILLE	"
HOWICK	N. H. SLACK	"
HUNTINGDON	C. W. THOMAS	"
JOLIETTE	H. E. GREEN	"
KNOWLTON	J. M. O'HALLORAN	"
LENNOXVILLE	H. A. C. SCARTH	"
MAGOG	A. W. WATSON	"
MANSONVILLE	H. H. HYLAND	"
MARBLETON	H. E. TEMPLE	"
MARIEVILLE	A. J. CHOQUETTE	"
MEGANTIC	G. M. THOMPSON	"
MONTREAL	{ H. B. WALKER	"
	{ W. LEGGAT	Asst. Mgr.
Do. CRESCENT AND ST. CATHER- INE	M. A. MACFARLANE	Manager
Do. MAISONNEUVE	G. L. DOAK	"
Do. PRINCE ARTHUR AND PARK AVENUE	J. B. BEACH	"
Do. ST. CATHERINE & CITY HALL	E. L. SLEEPER	"
Do. ST. CATHERINE AND MET- CALFE	D. McLENNAN	"
NICOLET	E. DUMOULIN	"
NORTH HATLEY	L. G. T. LYNCH	"
ORMSTOWN	N. H. SLACK	"
POINTE AUX TREMBLES	S. A. FORBES	"
QUEBEC	A. L. HAMILTON	"
RICHMOND	A. S. RAIMBACH	"
RIMOUSKI	W. CLOUTIER	"
ROCK ISLAND	SIDNEY STEVENS	"
ST. CHRYSOSTOME	N. H. SLACK	"
STE. ELIZABETH	H. E. GREEN	"
ST. FELIX DE VALOIS	J. C. R. MARCHAND	"
ST. FERDINAND D'HALIFAX	A. E. WARD	"
ST. GABRIEL DE BRANDON	P. L. McCABE	"
ST. GEORGE, BEAUCE	C. A. TUCKER	Act. Mgr.
ST. HYACINTHE	J. LAFRAMBOISE	Manager
ST. JOHNS	J. MACLOUGHLIN	"
ST. JOSEPH DE BEAUCE	A. L. DESSERT	"
ST. REMI	J. A. ROY	"
SCOTSTOWN	J. I. McCABE	"
SHERBROOKE	E. W. FARWELL	"
Do. WELLINGTON ST.	F. A. BRIGGS	"

BRANCHES—Continued

SUTTON	R. P. BUZZELL	Manager
THETFORD MINES	L. P. BISHOP	"
THREE RIVERS	E. W. MORGAN	"
VALCOURT	L. P. BOURGOING	"
WATERLOO	W. E. MOREHOUSE	"
WATERVILLE	J. T. THOMAS	"
WEEDON	H. E. TEMPLE	"
WEST SHEFFORD	F. E. KERRIDGE	"
WINDSOR MILLS	K. G. NOURSE	"

SUB-AGENCIES

	Sub-Agency to	Open for Business
ASBESTOS	Danville	Tues. and Fri.
BELOEIL STATION	Beloeil	Daily, 9 to 12, except Sat.
BIC	Rimouski	Daily
BROME	Knowlton	Tues. and Fri.
BROMPTONVILLE	Sherbrooke	Mon., Wed. and Fri.
CHAMBLY BASIN	Marieville	Mon., Wed. and Fri.
CLARENCEVILLE	St. Johns	Friday
DIXVILLE	Coaticook	Friday
EAST HATLEY	Ayer's Cliff	Tues., 10 to 12.
FOSTER	Knowlton	Mon. and Thurs.
HENRYVILLE	St. Johns	Tuesday
IBERVILLE	St. Johns	Daily
LACOLLE	St. Johns	Wednesday
LAWRENCEVILLE	Eastman	Tues., Thurs. and Sat., 12 to 2.30
PHILIPSBURG	Bedford	Mon. and Thur., 2 to 4
ROXTON FALLS	Acton Vale	Mon., Wed. and Fri.
ST. ARMAND STATION	Bedford	Mon. and Thur., 10 to 12
ST. PHILIPPE DE LAPRAIRIE	St. Johns	Monday
ST. SEBASTIEN	St. Johns	Tuesday
SHERBROOKE (Uppertown)	Sherbrooke	Daily
STANBRIDGE EAST	Bedford	Daily
STANSTEAD	Rock Island	Daily
SWEETSBURG	Cowansville	Daily, 10 to 12
THETFORD MINES WEST	Thetford Mines	Daily

MARITIME PROVINCES—

ALBERTON, P. E. I.	W. C. LAWSON	Manager
AMHERST, N.S.	R. C. MACPHERSON	"
ANTIGONISH, N.S.	W. H. HARRISON	"
BARRINGTON, N.S.	F. W. HOMER	"
BRIDGEWATER, N.S.	T. W. MAGEE	"
CAMPBELLTON, N. B.	E. B. FAIRBANKS	"
CHARLOTTETOWN, P. E. I.	J. H. McQUAID	"
FREDERICTON, N. B.	G. W. HARRISON	"
HALIFAX, N. S.	D. MACGILLIVRAY	"
MIDDLETON, N. S.	J. R. HARRISON	"
MONCTON, N. B.	W. H. LUGSDIN	"
MONTAGUE, P. E. I.	L. H. COFFIN	"

BRANCHES—Continued

NEW GLASGOW, N.S.	B. DEVEBER	Manager
PARRSBORO, N. S.	R. M. McCAUL	"
ST. JOHN, N.B.	C. W. HALLAMORE	"
SHELBURNE, N. S.	C. N. ROOP	"
SOURIS, P. E. I.	C. F. WORRELL	"
SPRINGHILL, N. S.	G. SHEARER	"
SUMMERSIDE, P. E. I.	C. HENSLEY	"
SYDNEY, N. S.	E. B. IRELAND	"
TRURO, N. S.	C. W. MONTGOMERY	"
WINDSOR, N. S.	J. A. RUSSELL	"
NEWFOUNDLAND—		
ST. JOHN'S	F. E. DENCH	"
UNITED STATES—		
NEW YORK, N. Y.	{ Wm. Gray H. P. SCHELL }	Agents
PORTLAND, ORE.	F. C. MALPAS	Manager
SAN FRANCISCO, CAL.	G. W. B. HEATHCOTE	"
SEATTLE, WASH.	G. V. HOLT	"
GREAT BRITAIN—		
LONDON, 2 Lombard Street, E.C.		
H. V. F. JONES		Manager
A. R. PHIPPS		Asst. Mgr.
MEXICO—		
MEXICO, Avenida San Francisco No. 50		
J. P. BELL		Manager
D. MUIRHEAD		Asst. Mgr.

BANKERS AND CHIEF CORRESPONDENTS

LONDON BANKERS—	
Bank of England; Bank of Scotland; Lloyds Bank Limited; Union of London and Smiths Bank, Ltd.; London and South Western Bank, Ltd.	
ENGLAND—	
Barclay & Co., Ltd.; Lloyds Bank Limited; Manchester and Liverpool District Banking Co., Ltd.	
SCOTLAND—	
Bank of Scotland; North of Scotland and Town and County Bank, Ltd.; Union Bank of Scotland, Ltd.	
IRELAND—	
Northern Banking Co., Ltd.; Provincial Bank of Ireland, Ltd.; Belfast Banking Co., Ltd.	
UNITED STATES—	
NEW YORK—American Exchange National Bank; Chase National Bank.	
ALBANY—New York State National Bank.	
BALTIMORE—Citizens National Bank.	
BOSTON—National Shawmut Bank; Second National Bank; First National Bank.	
BUFFALO—Citizens Bank of Buffalo; Manufacturers and Traders National Bank.	
CHICAGO—First National Bank; National City Bank; Northern Trust Company.	
CLEVELAND—First National Bank.	
DENVER—Denver National Bank; Colorado National Bank.	
DETROIT—Peoples-State Bank; First National Bank.	
LOS ANGELES—Farmers and Merchants National Bank; Citizens National Bank.	
MILWAUKEE—Wisconsin National Bank.	
MINNEAPOLIS—Northwestern National Bank; First National Bank.	
NEW ORLEANS—Commercial National Bank.	
PHILADELPHIA—Girard National Bank; Franklin National Bank.	
PITTSBURG—Mellon National Bank.	
ST. LOUIS—Mechanics-American National Bank.	
ST. PAUL—National German American Bank.	
SALT LAKE CITY—Deseret National Bank.	
SPOKANE—Traders National Bank.	
TACOMA—Bank of California National Association; National Bank of Commerce.	
AUSTRIA—	
Anglo-Austrian Bank.	
BELGIUM—	
J. Matthieu & Fils, Brussels; Banque d'Anvers, Antwerp.	
DENMARK—	
Den Danske Landmandsbank, Copenhagen.	
FRANCE—	
Crédit Lyonnais; Société Générale; Lazard Frères & Cie., Paris.	
GERMANY—	
Deutsche Bank; Direction der Disconto-Gesellschaft.	
HOLLAND—	
Twentsche Bankvereiniging, Amsterdam; Disconto Maatschappij, Rotterdam.	
ITALY—	
Banca Commerciale Italiana.	
NORWAY—	
Centralbanken for Norge, Christiania.	
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, Ltd.; National Bank of South Africa, Ltd.	
AUSTRALIA AND NEW ZEALAND—	
Union Bank of Australia, Ltd.; Bank of Australasia; National Bank of Australasia, Ltd.; English Scottish and Australian Bank, Ltd.	
HAWAIIAN ISLANDS—	
First National Bank of Hawaii, Honolulu; Bishop & Co., Honolulu.	
SOUTH AMERICA—	
British Bank of South America, Ltd.; London & Brazilian Bank, Ltd.; Anglo-South American Bank, Ltd.	
WEST INDIES—	
Colonial Bank and Branches; Banco Nacional de Cuba, Havana, Cuba.	
BERMUDA—	
Bank of Bermuda, Ltd., Hamilton.	

GENERAL STATEMENT

30TH NOVEMBER, 1912

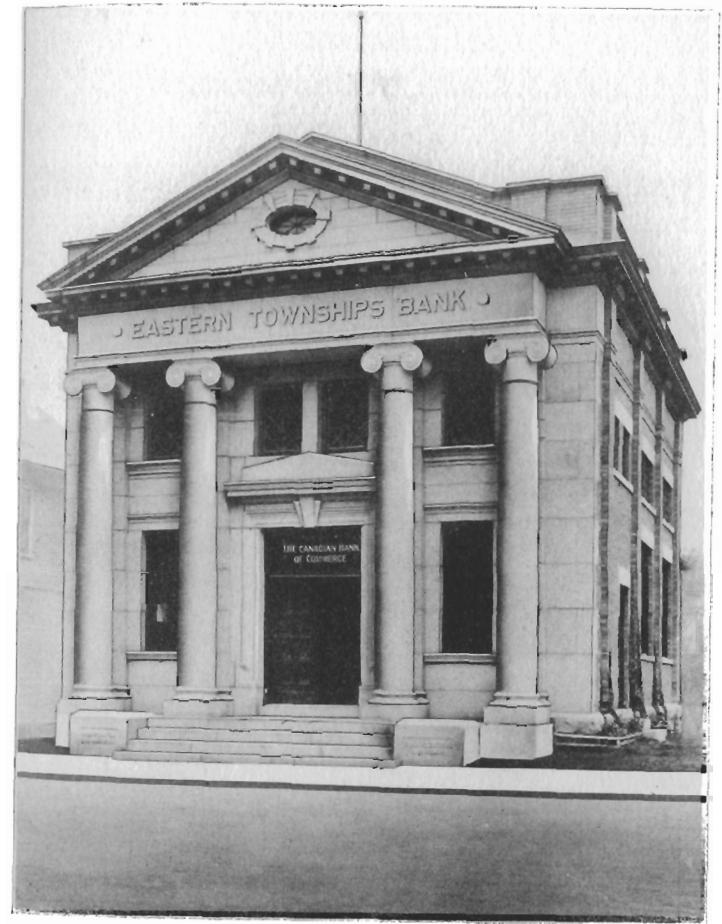
LIABILITIES

Notes of the Bank in circulation.....	\$ 16,422,864	68
Deposits not bearing interest.....	\$ 58,586,813	55
Deposits bearing interest, including interest accrued to date.....	139,030,648	45
	197,617,462	00
Balances due to other Banks in Canada.....	885,514	94
Balances due to other Banks in foreign countries....	2,842,439	50
	\$217,768,281	12
Dividends unpaid.....	6,429	74
Dividend No. 103 and bonus, payable 1st December...	525,000	00
Capital paid up.....	\$ 15,000,000	00
Rest.....	12,500,000	00
Balance of Profit and Loss Account carried forward.....	771,578	88
	28,271,578	88
	<u>\$ 246,571,289</u>	<u>74</u>

ASSETS

Coin and Bullion.....	\$ 11,273,485	39
Dominion Notes.....	16,181,480	25
	27,454,965	64
Balances due by Agents in the United Kingdom.....	\$ 2,082,538	49
Balances due by other Banks in foreign countries.....	4,718,352	03
Balances due by other Banks in Canada.....	28,645	40
Notes of and Cheques on other Banks	10,092,360	90
	16,921,896	82
Call and Short Loans in Canada.....	8,779,459	47
Call and Short Loans in the United States.....	9,003,590	37
Government Bonds, Municipal and other Securities...	14,362,116	82
Deposit with the Dominion Government for security of Note circulation.....	707,000	00
	\$ 77,229,029	12
Other Current Loans and Discounts.....	163,753,559	28
Overdue Debts (loss fully provided for).....	487,738	94
Real Estate (other than Bank Premises).....	208,372	77
Mortgages.....	404,096	95
Bank Premises (including the balance unsold of certain premises acquired from the Eastern Townships Bank).....	4,423,993	07
Other Assets.....	64,499	61
	<u>\$246,571,289</u>	<u>74</u>

ALEXANDER LAIRD
General Manager



ROCK ISLAND, QUE.

THE CANADIAN BANK OF COMMERCE

REPORT OF THE PROCEEDINGS

OF

THE ANNUAL MEETING OF SHAREHOLDERS

TUESDAY, 14TH JANUARY, 1913

The forty-sixth Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking house on Tuesday, 14th January, 1913, at 12 o'clock.

Among those present were:—

J. W. Mitchell, J. K. Macdonald, W. R. Houston, H. W. Mickle, W. H. Leishman, G. A. Somerville, C. A. McGaw, A. J. Helliwell, Rev. B. Taer, K. J. Dunstan, Albert Nordheimer, E. D. Howe, J. H. McKinnon, Angus Sinclair, J. H. Plummer, Robt. S. Gourlay, Z. A. Lash, K.C., Thomas Gilmour, James Hedley, H. Close, J. C. Moore, W. H. Lockhart Gordon, Fred. W. Field, Dr. T. Armstrong, Sir Donald Mann, A. E. Ames, C. N. Candee, L. J. Cosgrave, E. B. Ryckman, K.C., George D. Perry, John Westren, R. C. Jennings, W. E. Rundle, Percival Molson, J. C. Breckenridge, Major J. F. Michie, F. H. Deacon, William Crocker, J. O. Thorn, William Davidson, K.C., L. H. Baldwin, W. S. Hodgens, H. C. Cox, H. S. Morrison, J. A. Morton, John Appleton, H. Beatty, A. A. Bowman, J. A. Fraser, W. H. Cross, W. Prendergast, R. Cassels, T. A. Rowan, Sir Edmund Walker, C.V.O., R. C. Carlyle, E. R. Wood, W. D. Lummis, C. Hunter, G. R. Warwick, A. J. Mitchell, Sir Lyman Melvin Jones, Sir John M. Gibson, K.C.M.G., G. S. May, A. K. Brodie, A. Stewart, J. Short McMaster, J. W. Flavelle, H. A. Hawkins, H. H. Fudger, F. D. Smith, C. M. Gripton, St. Catharines, J. O. Ireland,

Sir John Willison, A. T. Reid, Major H. C. Bickford, T. Warren, H. M. Mowat, K.C., Dr. Somerville, A. Buntin, William Craig, T. Plummer, F. W. Baillie, F. P. Wood, R. M. White, F. H. Gooch, Major Keefer, S. R. Wickett, Dr. J. H. Carrique, A. E. Ferrie, Thomas West, Edwin Roach, J. L. Watt, M. Sparkhall, W. H. Grant, Walter Harland Smith, H. Vigeon, W. J. Savage, Milestone; C. Cambie, Ottawa; F. D. Spaulding, Burlington, Vt.; F. M. Gibson, Revelstoke, B.C.; W. V. Gordon, Winnipeg; C. W. Montgomery, Truro; A. H. Allen, Macleod; A. C. Smith, Granby; F. B. Francis, Winnipeg; G. M. Thompson, Megantic; E. E. Henderson, Winnipeg; J. H. McQuaid, Charlottetown; C. F. Worrell, Souris; H. M. Lay, Walkerton; Wm. McAdie, Oshawa; R. B. Buchanan, Coleman; H. A. Holmes, Lindsay; W. Spier, Sherbrooke; H. B. Walker, Montreal; J. Laframboise, St. Hyacinthe; H. J. Fuller, Montreal; D. B. Dewar, Hamilton; W. H. Lugsdin, Orangeville; W. C. Johnston, Ingersoll; F. C. Malpas, Portland, Ore.; F. L. Crawford, Victoria; L. M. de Gex, Ladysmith; M. D. Hamilton, Vancouver; C. S. Freeman, Tugaska; W. E. Morehouse, Waterloo, P.Q.; J. Hale, London; C. H. Niles, Grand Forks; W. Cloutier, Rimouski; J. A. Russell, Windsor, N.S.; E. R. Jarvis, Dauphin; Robert Stuart, Chicago; J. MacLoughlin, St. Johns, Que.; G. W. Allan, Winnipeg; William McMaster, Montreal; W. A. Murray, Montreal; Hon. W. C. Edwards, Ottawa; G. G. Foster, K.C., Montreal; A. Kingman, Montreal; M. H. Macleod, Winnipeg; F. J. D. Smith, Newtonbrook; Mrs. F. J. D. Smith, Newtonbrook; Jno. Leggat, Hamilton; Gardner Stevens, Waterloo, Que.; R. Gill, Ottawa; William Farwell, D.C.L., Sherbrooke.

The President, Sir Edmund Walker, having taken the chair, Mr. A. St. L. Trigge was appointed to act as Secretary, and Messrs. W. Murray Alexander and A. J. Glazebrook 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-sixth Annual Report, covering the year ending 30th November, 1912, together with the usual Statement of Assets and Liabilities:

The balance at credit of Profit and Loss Account, brought forward from last year, was.....	\$ 203,394 89
The net profits for the year ending 30th November, after providing for all bad and doubtful debts, amounted to.....	2,811,806 42
Transferred from Rest Account of Eastern Townships Bank.....	2,400,000 00
Premium on New Stock.....	242,180 00
	<hr/>
	\$ 5,657,381 31
<hr/>	
This has been appropriated as follows:	
Dividends Nos. 100, 101, 102 and 103, at ten per cent. per annum.....	\$ 1,418,622 43
Bonus of one per cent., payable 1st December, 1912.....	150,000 00
Written off Bank Premises.....	500,000 00
Transferred to Pension Fund (annual contribution).....	75,000 00
Transferred to Rest Account.....	\$ 2,500,000 00
Transferred to Rest Account, premium on new stock.....	242,180 00
	<hr/>
Balance carried forward.....	2,742,180 00
	771,578 88
	<hr/>
	\$ 5,657,381 31

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

In accordance with an agreement entered into in December, 1911, this Bank took over on 1st March last the business of the Eastern Townships Bank, with headquarters at Sherbrooke, Que., and ninety-nine branches and sub-agencies, chiefly situated in the Eastern Townships District of the Province of Quebec. In addition to fifty-two new branches and thirty-two sub-agencies in the Province of Quebec, the Bank thus acquired new offices at Coleman and Taber, Alberta; Grand Forks, Keremeos, Midway, Naramata, Phoenix, Summerland and Vancouver (two offices), British Columbia; and Winnipeg, Manitoba. The business of the Eastern Townships Bank branches at Lethbridge, Princeton, Quebec and Victoria, was at once transferred to our own offices, and later in the year the business of their principal offices in Montreal and Winnipeg was also consolidated with our branches in those cities, the change at Winnipeg taking place as soon after the opening of our new building as it could conveniently be effected. The nine months' experience which we have had with the new business has given us every reason to feel satisfied with our purchase.

There were issued to the shareholders of the Eastern Townships Bank in exchange for their stock in that institution 60,000 shares of new stock of this Bank, having a par value of \$3,000,000. This has increased the paid-up capital stock of the Bank to \$15,000,000. The by-law passed at the last annual general meeting increasing the authorized capital stock to \$25,000,000 received the approval of the Treasury Board on 26th February, 1912.

In addition to the offices acquired from the Eastern Townships Bank, the Bank has opened during the year the following branches: in British Columbia—Rock Creek, North Vancouver, Powell Street (Vancouver) and Oak

Bay Avenue (Victoria); in Alberta—Athabasca Landing, Hanna, Tilley, Vulcan and Youngstown; in Saskatchewan—Blaine Lake, Laird and Lewvan; in Ontario—Brockville, Cornwall, Ingersoll, Niagara Falls, Port Colborne, Port Stanley, West End (Sault Ste. Marie), Smith's Falls, St. Thomas, Sudbury, Tillsonburg, Danforth and Broadview (Toronto) and Earls court (Toronto); in Quebec—Fraser-ville, Maisonneuve (Montreal), Prince Arthur and Park (Montreal), Nicolet and Three Rivers; in New Brunswick—Fredericton; and in Newfoundland—St. John's. The sub-agencies at Keremeos, B.C., East Angus, Howick, St. Chrysostome, Ste. Elizabeth and Weedon, Quebec, have been equipped as branches. The branches at Bounty, Sask., and Stewart, B.C., and the sub-agencies at Midway, B.C., and St. Constant, Que., have been closed. Since the close of the year branches have been opened at Courtenay and Pandora and Cook (Victoria, B.C.), Port McNicoll, Ont., Campbellton and Moncton, N.B.; the Dunham, Que., sub-agency has been equipped as a branch, and the Upton, Que., sub-agency closed.

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

The Directors again desire to record their appreciation of the efficiency and zeal with which the officers of the Bank have performed their respective duties.

B. E. WALKER

President

TORONTO, 14th January, 1913

Before moving the adoption of the Report, the President called on the General Manager to address the shareholders.

GENERAL MANAGER'S ADDRESS

The General Manager then said:

We have closed another year with a record of uninterrupted prosperity, and we take pleasure in submitting a report which will compare favourably with any previous statement in the Bank's history.

In reviewing the business of the early part of the year we have to note a steady development. Great industrial activity, accompanied by large orders for manufactured goods of all kinds, gave an impetus to business which at once arrested our attention and produced a feeling of concern lest we should have difficulty in meeting the requirements of our customers. There was apparently a sound and healthy basis for this activity, and the money market was for a time comparatively easy, but we had to look forward to the harvesting of a large crop and were naturally desirous of doing our full share in moving it. The necessity for a close supervision of credits was never so obvious, and this period, usually one of dull and inactive business, proved to be a time for the exercise of great caution.

We had expected the gradual return of better conditions in the great financial centres which, by permitting the marketing of a large amount of first-class securities, would enlarge the supply of available capital, but untoward events in Continental Europe and the uncertainty surrounding an exciting Presidential campaign in the United States made this impossible. The latter half of the year was therefore a time of great stringency and consequent high rates for money, and it became increasingly difficult to satisfy legitimate demands, notwithstanding the inherent soundness of business generally.

With the amalgamation of the Eastern Townships Bank our capital was increased to \$15,000,000. The average capital employed during the year was \$14,210,437, and the net earnings on this amount were \$2,811,806.42, an increase of \$506,397 over last year, being at the rate of 19.78%. This result was attained after making the usual provision for all bad and doubtful debts, and a thorough revaluation of the entire assets of the Bank.

We are pleased to report that an examination of the accounts of the Eastern Townships Bank leaves us no reason to doubt the value of our purchase, and we record our appreciation of the zeal and hearty co-operation of our associates in the difficult task incident to the adjustment of so important an acquisition.

We disbursed in dividends \$1,568,622.43, being at the rate of 10% per annum, and an extra bonus dividend of 1% for the year. The policy of paying bonus dividends until such time as we are confident of being able to maintain a higher rate would seem to be a wise precaution, in view of the extraordinary development of our business and the desirability of making ample provision for any contingency likely to arise.

We had expressed the hope that our building programme could be curtailed, but the acquisition of the large territory covered by our eastern branches, and the continued growth in the west, necessitated the opening of a considerable number of branches requiring the building and remodelling of offices on an extensive scale. We have also a serious problem to face in the changes absolutely essential for the proper accommodation of Head Office and Toronto branch, our present premises having been for several years quite inadequate. Bank Premises account has been increased to \$4,423,993.07, which includes premises acquired from the Eastern Townships Bank, and we have written off \$500,000, keeping the account at approximately 50% of the value of our properties.

The increase of the staff, now numbering 3,000, required the appropriation of \$75,000 for the Pension Fund. We have added \$2,742,180 to Rest account and carry forward a balance of \$771,578.88 in Profit and Loss. The Bank's Circulation account showed important fluctuations during the year, the minimum reached in January being \$10,403,322 and the maximum in November \$16,660,709. We had occasion to take advantage of the emergency provisions of the Bank Act amendment of 1908 early in October, and we closed our statement with a circulation of \$1,422,864 in excess of the amount of our paid-up capital.

If the Bank Act introduced at this session of Parliament should be passed in its present form and a "Central Gold Reserve" established, there will be no apprehension of a scarcity of currency at a time when the emergency provisions are not operative; for with the deposit of gold or Dominion notes in the custody of trustees the banks will have the privilege of issuing their own notes to the full amount thus deposited. This will undoubtedly be a very important step towards ensuring that the business of the country should not be embarrassed through lack of currency. It is evident, however, that there will be no profit to the banks in availing themselves of the suggested privilege, and as we have reached the time when the need of currency is beyond the present limits of the banks' power to supply, it is desirable that in addition to the adventitious aids so wisely provided in the new Bank Act, the banks should anticipate an increasing demand for bank-note currency by the issue of additional capital.

During the year our deposits increased \$51,651,727. There was a considerable accession of special amounts which will be withdrawn in due course, and we received \$19,111,119 as a result of the Eastern Townships Bank amalgamation. The ordinary deposits show a very handsome increase. Current loans and discounts increased

\$52,753,947 and call and short loans \$2,757,730, compared with last report. Investments in Government bonds, municipal and other securities were increased by \$2,821,024 and cash resources by \$1,625,271.

You will notice from the report of the Board of Directors the large increase in the number of our branches. We fully realize our responsibility in undertaking to control so many units in a great bank, and the importance of arranging for a complete organization of competent and loyal associates, with geographical divisions which thoroughly cover the field of our operations. We endeavour as far as possible to clothe our Superintendents and Managers with authority for a prompt discharge of the duties of management, and believe we have succeeded in perfecting a system which meets every reasonable requirement. The distribution of branches at the close of the year was as follows:—

Alberta.....	49
British Columbia.....	42
Manitoba.....	23
New Brunswick.....	2
Nova Scotia.....	13
Ontario.....	79
Prince Edward Island.....	5
Quebec.....	91
Saskatchewan.....	53
Yukon.....	2
Total in Canada.....	359
Newfoundland.....	1
London, Eng.....	1
United States.....	4
Mexico.....	1
Total number of Branches.....	366

The number of the Bank's shareholders has increased during the year from 4142 to 5656, the increase being principally due to the taking over of the Eastern Townships Bank. The stock of the Bank is now quite widely

distributed, not only in Canada but abroad, as will be seen from the following figures compiled as at the close of our year:

	No. of Shareholders	Amount held
Ontario.....	1,388	\$4,087,500
Quebec.....	1,127	3,213,650
Maritime Provinces.....	702	1,544,450
Western Provinces.....	118	242,950
Great Britain.....	1,569	3,204,400
United States.....	669	2,549,950
Other countries.....	83	157,100
	<u>5,656</u>	<u>\$15,000,000</u>

We have referred to the provisions of the new Bank Act for increased note circulation, and would like to advert to the proposal that is now being considered, of creating a system of independent audit to supplement what has always been regarded as complete and satisfactory in every well-organized bank. There can be no question as to the importance of a strict supervision of all matters pertaining to our banks, and we should welcome any plan which makes for more efficient management and a proper recognition of the great responsibilities we are called upon to assume. We are disposed to believe that with the co-operation of the Canadian Bankers' Association working through the various Bank Clearing Houses effective service could be rendered in the correction of abuses and the perfecting of methods for the encouragement of sound banking. We have possibly not taken advantage of our opportunities in this respect.

The Bank Act will probably sanction, under proper liens and assignments, the loaning of money to farmers and ranchers on the security of grain and cattle and other live stock in their possession. This will undoubtedly be a great advantage in many instances, and will at least legalize a practice already

quite common, and probably tend to prevent hasty marketing of produce. As a matter of fact large advances are made to farmers on the security of notes, but actually upon what they possess in the way of products of agriculture and their reputation for honesty and ability, always an essential consideration when lending money. We have no hesitation in stating that our farmer customers are, almost without exception, satisfactory borrowers. Our aggregate advances to farmers run into large figures, estimated at \$15,000,000 for the western provinces.

Despite the money stringency during the closing months of 1912, and the fear that we may feel the pinch for some time to come, there are off-setting influences at work. The wonderful revival of trade in every branch, the bountiful harvests throughout the land and the consequent enormous increases in traffic on the railways, afford excellent grounds for the assumption that the unusual prosperity we are enjoying is on a sound basis. There is therefore some warrant for the belief that with reasonable care and judgment in measuring our commitments there will be a continuance of prosperous conditions for the coming year. We must of course reckon with the adverse circumstances prevailing abroad, for in conducting a world-wide business we are sensitive to these influences. We are hopeful that with the settlement of present difficulties in Europe and the return of trade to normal channels, any apprehension for the immediate future will be dispelled. We are likely to experience on the part of investors a very decided reluctance to pay fancy prices when we come to dispose of the securities now awaiting a favourable market, and we should be prepared for a revaluation which will probably mean a higher yield for the purchaser.

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

PRESIDENT'S ADDRESS

The area of Canada in which the Bank is directly interested has become so large that we have decided to present the information collected regarding its industrial position in a new form. We shall hereafter include in the statement made to our shareholders reports from those senior officers of the Bank who have charge under the General Manager of the various geographical divisions of the Bank and who are better qualified than we are to set forth the facts regarding such districts.

The year has been one marked, even in comparison with recent years of large expansion, by a continued increase in immigration, in building operations of all kinds, especially in connection with railroads, in foreign and domestic trade, in bank deposits, indeed, in almost everything connected with the prosperity of a country. Our object in stating what is so well known is that we may consider the causes of our rapid growth and whether in the methods of our expansion there is anything which needs to be checked. Our financial requirements are mainly determined by the volume of immigration. It is because of this that we must build so largely, and this also is the main cause of the excess of our imports over our exports. The immigration for the calendar year, December being estimated, was 394,784, an increase over the record year of 1911 of 13 per cent. The immigrants came to us from forty-one countries and were divided as follows: British, 144,830; American, 140,456; from other countries, 109,498. In order to transport them to their inland destination 800 passenger trains of ten cars each, averaging 50 persons to each car, would be required. In the last two years we have added nearly 10 new people to each 100 people already in Canada taken as a whole, but as over half of these immigrants have gone to the western provinces, the proportion of

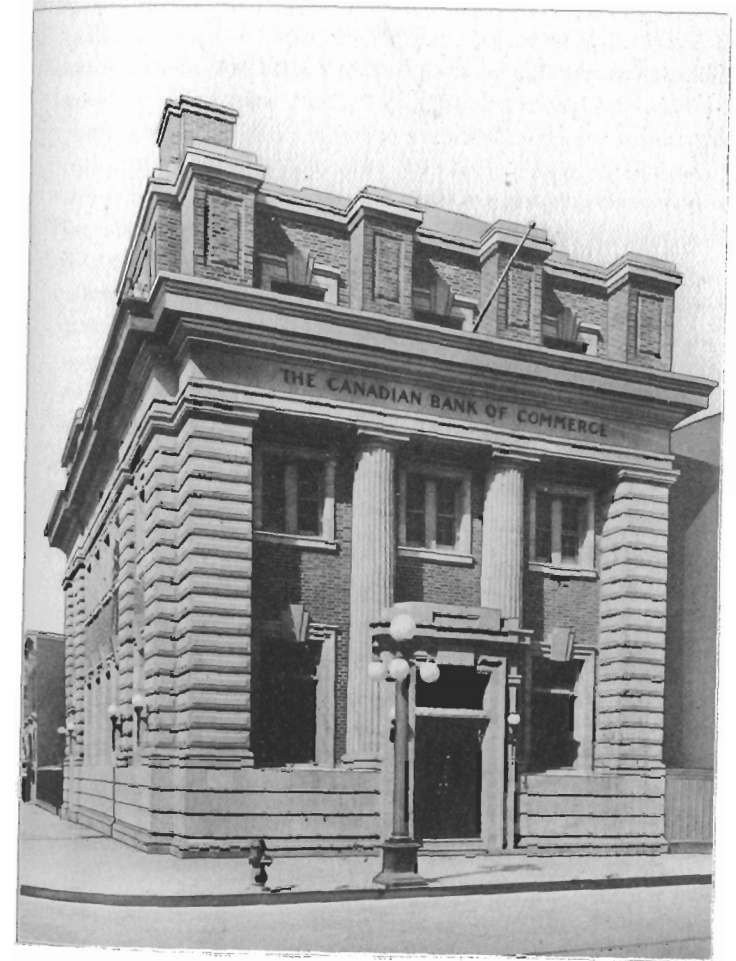
newcomers to these provinces in the same period has been about 20 to each 100. The population of Saskatchewan has increased five-fold in ten years. Clearly this is proportionately the largest immigration problem ever handled by any country. In order to house, settle, and arrange transportation for these people, we must borrow very largely, and as long as such streams of newcomers continue we are likely to be borrowers on a large scale, at least for many decades to come. In the excess of imports over exports and in the volume of our securities sold abroad in order to settle that difference, one can clearly see the strain put upon Canada by this enormous accession of new people. The total of our foreign trade for the fiscal year ending March, 1912, was \$874,538,000. Our imports were \$559,220,000, and our exports \$315,317,000, the balance against us being \$243,903,000, and the figures for the half year ending September, 1912, show imports on an even larger scale. The imports of iron and steel in various forms from raw material to highly complicated manufactures amount in value to \$95,000,000. Almost all these articles are already being made in Canada but not in sufficient quantities, or not of high enough quality, to satisfy our requirements. It is to the last degree desirable that such articles should be made at home, and to the extent of say \$50,000,000 or \$60,000,000 they clearly should be. With the exception of motor cars and parts to the extent of \$7,387,000, and a few other items, the whole of this amount may be safely attributed to the erection of new structures or the opening up of new farm lands. It is this large difference between our exports and imports which causes us to send so many securities to the London market, and if it were true that we are offering too many securities it would mean that we are importing too many goods or exporting too little, or both. Doubtless some Canadian securities are offered which should not have been created, and doubtless our imports are unwisely increased to some extent by the extrav-

agance of an unusually prosperous people, but the main cause each year is the same. We need more than ever new mileage of railways, vast quantities of new rolling stock, warehouse and port facilities, municipal expenditures in hundreds of new towns and an enlarged scale of improvements in all the older municipalities, the building of ordinary roads, bridges, etc., in many new areas of settlement, the creation of plants for new industries and the general increase of existing plants throughout all Canada, the erection of private dwellings in greater numbers and of more permanent construction than in the past, and many other forms of betterment which need not be detailed. But while our needs are mainly measured by our immigration, we are apt to forget that it is the investor in our securities who has the power to determine finally the pace of our expansion. For every dollar we wish to fix in permanent improvements somebody should have saved a dollar, and at this extravagant moment the borrowers throughout the world exceed those whose savings take the form of loanable capital. It is for us therefore to consider not so much our needs as the opinion of the investor regarding our securities, and the condition of the world's money market. If we do this we must conclude to restrict our building operations as much as possible for the moment, and we must expect to pay a higher rate of interest for our requirements. Men with business experience before entering upon building operations, large or small, assure themselves that the needed money is available. It is only our municipalities and reckless promoters who incur large obligations before they are sure of the necessary investor in the securities they propose to offer. Many of our towns and cities who have refused to consult the banks find themselves embarrassed as a result, and improvements which may be wise and much needed must be postponed for the moment. The existing securities will doubtless be absorbed in the near future, but at lower

prices than heretofore in order to meet the investors' expectations of a higher return. Our municipalities, however, should seriously consider whether during periods of such rapid expansion the tax rate should not be largely increased. In the days of western expansion in the United States 25 and 30 mills on a fairly high valuation of property were not uncommon rates. Again, should we not pay for local improvements in a far shorter time than we do? The western cities of the United States make their local improvements by the issue of short term securities, the average life of which is usually not more than five years. Such securities often carry six per cent. interest and do not appeal to the same class of investor as do long-term municipal debentures. We can easily see the bad effect on the credit of our municipalities of adding the heavy cost of local improvements, spread over long terms, to the ordinary general debt. Such a system as that followed in the United States would probably not find favor with the sub-division promoter because it would be a powerful check on all speculative real estate schemes. At least a year ago it became generally known that there were many Canadian securities in existence which had not been absorbed by the investor and that real estate speculation was proceeding at too rapid a pace. Undoubtedly the knowledge of these facts has exercised some restraint upon our people. Transactions in inside city properties have probably been larger than ever but the sub-division promoter has not prospered. Direct investments of British capital in agricultural lands to be resold have been made in both the east and the west on a large scale.

In common with the rest of the world we are living in a time of high prices, and the incidence of these prices on those who have fixed incomes or earnings is so heavy as to constitute the greatest economic difficulty we have to face. I shall not attempt to deal fully with a subject which

is being studied by government commissions in many leading countries and which will, let us hope, be referred to an international commission. There are some forces which affect the general trend of prices, others which may cause any particular commodity to go above or below the line of the general trend, and again others which are local and produce such apparent anomalies as higher prices for foodstuffs in cities nearer sources of cheap production as compared with more remote centres of consumption. Without, therefore, discussing the effect of an enlarged and cheapened supply of gold, the enormous increase of credit partly made possible thereby, and the effect of many other forces causing a general upward trend of prices, we may profitably consider some local causes which put the people of Canada at an unnecessary disadvantage. One of the most powerful and inexcusable local causes for the high price of food is the condition of our country roads. It must be clear that if a farmer has to travel ten or twenty miles to a city to sell his produce, every hour of delay to himself and his horses and wagon, every bushel or pound less he is able to carry, every day lost in the length of the life of his horses and wagon, cause just so much increase in the cost of the article he has to sell. To the extent that this needless and cruel loss might, if avoided, partly add to the farmers' profits and partly lessen the cost to the consumer, the state of our roads is little short of a crime. If the bad roads around a city cause the price of food to be much higher than it need be, one of the results is to enable producers hundreds, perhaps thousands, of miles away to enter into competition with the farmer in his own county, because the cost in transit over one mile of bad wagon road will cover the cost over many miles of good railroad. This competition may help the consumer by keeping prices from rising still higher, but it will not bring the price below the point fixed by the extra cost from the bad local roads. It will not do any good for



ST. CATHARINES, ONT.

those of us who live in well-paved cities to blame the farmers for bad roads. They cannot be expected to build good roads entirely at their own expense, and good roads will not come so long as we wait for anything as unfair as this. It is not that we do not know how to construct good roads. We know fairly well what we should do, but we hesitate to do it. In the excellent report on Highway Improvements in Ontario for 1911 there is a sufficient abstract of the systems adopted by the various countries of the world and by thirty-three states in the United States; of these, that in use in the State of New York seems to be the most complete. Under this system roads are classified as follows:

- (1) State roads built at the entire cost of the state.
- (2) County roads to which the state contributes one-half, the county 35 per cent., and the township 15 per cent. For maintenance the state collects from the townships \$50 per mile per annum, the remainder being contributed by the state.
- (3) Township roads, to which the state contributes one-third of the cost of construction.

Can the people of Canada be made to realize that every man, woman and child suffers from the evil of bad roads whether they use the roads directly or not? Have we not as much intelligence as the citizens of these thirty-three neighbouring states?

Another cause of high prices is the general inefficiency of most kinds of labour. Employment is so easily obtained and the worker is apt to be so lacking in training for the particular calling it falls to his lot to occupy, that for this reason alone three men are often needed to do the work of two. The necessity of buying food for three families instead of two clearly raises the price of food and every non-producer of food in Canada therefore suffers from this inefficiency of labour. Still another evil, tending to high prices and growing rapidly in

these extravagant times, is the waste in the use of food. As seen in a modern hotel or dining car this shocks most of us, but in countless families the waste is nearly as bad proportionately. If three animals are bought where only two are really needed, the price of meat is raised for everybody. I must apologize for repeating facts which are so palpable, but in our desire to blame someone else for the suffering caused by high prices, we often refuse to see local causes which largely contribute to it and which we could at least moderate if we chose.

We have often spoken of the tendencies of modern life which increase the food consumers out of proportion to the food producers, and it is pleasing to see some slight evidence of a return to the land which may help to correct this disproportion, but while the quantity of fruit, vegetables and cereals grown may immediately be increased so as to affect prices, the state of the cattle industry of North America is so serious that some years must pass before we may hope for a return of normal conditions. It looks as if the United States would soon cease to export beef, and unless we at once change our course we may be in a similar condition. We must increase the number of beef cattle, sheep and swine on the land very largely if our annual consumption is to be supplied without depleting the herds. We shall hope the Commission regarding our cattle ranges will produce good results, and that the assurance of high prices for meat for some time to come may induce mixed farming to a degree not yet accomplished. Since 1908, while there has been a small increase in the number of horses in Canada, there has been a serious decline in the number of milch cows, beef cattle, sheep and swine. There should have been a very large increase, and unless every possible effort to arrest the decrease is made, this class of food will grow steadily dearer in price. The falling off is most noticeable in Ontario, while the only important gains are in Saskatchewan and Alberta.

The Clearing House statements again give ample evidence of our rapid growth. The returns of twenty Clearing Houses for 1911 made a total of \$7,391,368,000 while for 1912 the figures were \$9,146,236,000, a gain of 23.74 per cent. Once more we have to record a gain in every Clearing House in Canada.

The building permits of the four chief cities were as follows:

	1911	1912
Montreal.....	\$14,580,000	\$19,642,000
Toronto.....	24,374,000	27,401,000
Winnipeg.....	17,550,000	20,475,000
Vancouver.....	17,652,000	19,388,000

The adoption of the report was then moved by the President, seconded by the Vice-President, and carried unanimously.

The President: The Vice-President will now move a resolution dealing with an increase in the number of Directors.

The Vice-President: According to the by-laws as passed in 1909 the number of Directors was fixed at fourteen. When the purchase of the Eastern Townships Bank was contemplated this number was increased to not exceeding nineteen, and it is now our intention to ask the shareholders to authorize an additional increase to twenty-two. For that purpose I am about to move the adoption of the following by-law:

"Be it enacted as a by-law by the shareholders of The Canadian Bank of Commerce assembled at the annual general meeting held in the Board Room of The Canadian Bank of Commerce at the corner of King and Jordan Streets, Toronto, on Tuesday, the 14th day of January, A.D. 1913, as follows:

"1. That the number of the Board of Directors of The Canadian Bank of Commerce be and it is hereby increased from not exceeding nineteen to twenty-two.

"2. And that for this purpose by-law No. 1, adopted by the shareholders on 12th January, 1909, and amended by them on 9th January, 1912, be and hereby is amended by substituting the word "twenty-two" for the word "nineteen" as the tenth word of the said by-law."

I therefore move, seconded by Mr. Flavelle:

"That the by-law of The Canadian Bank of Commerce increasing the number of Directors, read to the meeting by the Vice-President, be passed by the shareholders and that the same be executed under the corporate seal of the Bank and countersigned by the President and the General Manager."

Mr. Flavelle then seconded the motion, which was duly carried.

The President: I have now to ask you to pass a by-law increasing the amount set apart for the remuneration of the Directors from \$25,000 to \$35,000 per annum. Part of the increase, indeed most of it, is necessary because of the increase in the number of Directors at the time of the taking over of the Eastern Townships Bank. The by-law is as follows:

"Be it enacted as a by-law by the shareholders of The Canadian Bank of Commerce, assembled at the annual general meeting, held in the Board Room of The Canadian Bank of Commerce at the corner of King and Jordan Streets, Toronto, on Tuesday, the 14th day of January, A.D. 1913, as follows:

"1. That by-law No. 5, adopted by the shareholders on 12th January, 1909, be and it hereby is amended by substituting the word "thirty-five" for the word "twenty-five" as the eighth word of the said by-law."

I will ask Mr. Somerville to move the necessary resolution.

Mr. George A. Somerville: Mr. Chairman, I beg to move:

"That the by-law of The Canadian Bank of Commerce increasing the amount of the remuneration of the Directors to \$35,000 per annum, which has been read to the meeting, be passed by the shareholders and that the same be executed under the corporate seal of the Bank and countersigned by the President and the General Manager."

This motion really needs no comment. In my opinion the sum of \$35,000 is a very modest one indeed for the oversight of such a large institution as this, which has increased so rapidly during the last year apart altogether from the amalgamation with the Eastern Townships Bank. I am sure that everyone will concur in the increase and heartily support it.

Mr. Henry Beatty then seconded the resolution, which was duly carried.

It was then moved by Mr. Alexander Bruce, K.C., seconded by Mr. Thomas Gilmour:

"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 during the past twelve months."

Mr. Bruce: The statement, Mr. President, which you have submitted to the meeting is of such a character that any words of commendation of the Board are unnecessary. I think that all the shareholders should be remarkably well satisfied with the results which are shown by the work of these gentlemen during the past year.

The President: On behalf of the Directors it gives me much pleasure once more to thank you for this resolution. There is no question as to the importance of the trust committed to us; it is a very heavy one indeed, as you can easily gather from the figures of our statement. As long as our country grows at the present almost appalling rate we shall have our hands full in endeavouring to do our duty by Canada. That, of course, is what we put forth our best

efforts to do. It would be a much easier task if we had two or three years of dull times and the demands of this development upon the Bank were not so great.

Mr. William Davidson: I beg to move, seconded by Mr. W. E. Rundle:

“That the thanks of the meeting be tendered to the General Manager, the Assistant General Manager and other officers of the Bank for the satisfactory discharge of their respective duties during the past twelve months.”

The very satisfactory statement which has been presented suggests the question of how much of this success is attributable to those who perform the minor duties connected with the Bank. It may be impossible to separate or make any comparison between the work of the various departments, but it is quite clear that the results which have been obtained are due to the loyal, faithful and constant observance of all their duties by those who fill the various positions in this Bank throughout the Dominion and in other parts of the world. From my personal experience, which I believe is also the experience of every one who does business with the Bank, I would like to testify to the universal courtesy and intelligence which the officers of the Bank display.

Mr. W. E. Rundle: I have very much pleasure in seconding this resolution. In the statement which has been presented to us the fact is revealed that the assets of this Bank amount in round figures to \$250,000,000. It is said in some quarters that the Bank has assets that are not revealed in the statement, and there is no doubt that the greatest asset which this Bank has is its organization. Any one who has travelled very much over this country and has met the various members of the staff of The Canadian Bank of Commerce, is at once struck with their efficiency and with the loyalty which they display towards this institution. I have very much pleasure in seconding the resolution.

The President: I entirely agree with Mr. Rundle, and I have very often said to the Directors that in the staff we have a most valuable asset that cannot possibly be put into the balance sheet. There is no question but that the efforts which have been for years directed towards perfecting the organization of The Canadian Bank of Commerce have met with great success. I declare the motion carried and will ask Mr. Aird to respond.

Mr. John Aird: Mr. Chairman and Gentlemen: It is very gratifying to me, I assure you, to be asked to speak to this motion to-day, and particularly so in view of the very large increase which has taken place in what we term the Bank's family since the last meeting of the shareholders. As you are aware, we have taken over the business of the Eastern Townships Bank, and, as Mr. Rundle suggests, probably the greatest asset which came to us with that Bank was the five hundred men who were trained in banking almost on the lines of our own system. I thank you very much therefore on behalf of the staff.

The President: I should like Mr. Francis, the Inspector of the Central Western District, to say something in response to this motion.

Mr. F. B. Francis: Mr. Chairman and Gentlemen: It affords me a great deal of pleasure to respond on behalf of the staff of the Central Western District to the vote of thanks which you have just passed. It is gratifying, I can assure you, to receive this expression of your appreciation and I know that I am voicing the sentiment of the staff generally when I say that the consideration shown them by the Shareholders and Directors of the Bank has resulted in developing a spirit of loyalty and pride in the institution, which has contributed very largely to its success.

Mr. G. G. Foster: Mr. President, I move that the meeting do now proceed to elect Directors for the coming year, and that for this purpose the ballot box be opened and remain open until three o'clock this day, the poll to be

closed, however, whenever five minutes shall have elapsed without a vote being tendered, the result of the election to be reported by the scrutineers to the General Manager.

Mr. William Farwell then seconded the motion, which was duly carried.

The scrutineers subsequently reported that the by-laws had been carried and that the following gentlemen had been elected as Directors for the coming year: Sir Edmund Walker, C.V.O., LL.D., D.C.L., Z. A. Lash, K.C., LL.D., Hon. George A. Cox, John Hoskin, K.C., LL.D., J. W. Flavelle, LL.D., A. Kingman, Hon. Sir Lyman Melvin Jones, Hon. W. C. Edwards, E. R. Wood, Sir John Morison Gibson, K.C.M.G., K.C., LL.D., William McMaster, Robert Stuart, George F. Galt, Alexander Laird, William Farwell, D.C.L., Gardner Stevens, A. C. Flumerfelt, George G. Foster, K.C., Charles Colby, M.A., Ph.D., George W. Allan, H. J. Fuller, F. P. Jones.

At a meeting of the newly elected Board of Directors held subsequently, Sir Edmund Walker, C.V.O., LL.D., D.C.L., was elected President and Mr. Z. A. Lash, K.C., LL.D., Vice-President.



SHERBROOKE, QUE.

REVIEW OF BUSINESS CONDITIONS DURING THE YEAR 1912

THE MARITIME PROVINCES AND NEWFOUNDLAND	} The Halifax Manager
QUEBEC	The Montreal Manager
ONTARIO	{ The Assistant General Manager
MANITOBA, SASKATCHEWAN AND ALBERTA	{ The Superintendent of Central Western Branches
BRITISH COLUMBIA AND YUKON	{ The Superintendent of Pacific Coast Branches
THE UNITED STATES	{ The New York Agent and the Superinten- dent of Pacific Coast Branches
MEXICO	The Mexico Manager
GREAT BRITAIN	The London Manager

REVIEW OF BUSINESS CONDITIONS FOR THE YEAR 1912

MARITIME PROVINCES AND NEWFOUNDLAND

In the Maritime Provinces during the past few years a new spirit of enterprise has manifested itself and the people are coming to realize that in variety and permanency of natural resources, and in facilities for various branches of manufacturing, they occupy a position of growing importance in the industrial life of the Dominion. One factor in bringing this about is the opening up of large undeveloped districts in Nova Scotia and New Brunswick by new railways. Prince Edward Island also will gain from the improvement of the branch of the Intercolonial Railway operating there, following upon the establishment of the car ferry that in the near future is to connect the Island with the mainland. In addition to the opening of new railway branch lines and the improvement of the roads now in operation, the Dominion Government has undertaken to build railway terminals and docks at St. John and Halifax that will take care of the extensive freight and passenger traffic which is destined to pass in and out of the country at those ports. These improved transportation facilities and the expenditure of large sums of public money will attract the attention of outside investors to the valuable farming and lumbering resources and the industrial opportunities possessed by these provinces.

Prince Edward Island has savings deposits of about \$10,000,000, and is, per capita, probably the richest rural community in the Dominion. To its prosperous industries of agriculture and fishing has been added in late years black fox ranching, which has reached important proportions and may be said to have outgrown the experimental stage. The present stock of breeding animals, numbering about 400, four-fifths of the total

number in captivity in the world, is said to be valued at \$2,800,000, and the estimated value of the young foxes this year is \$1,800,000. A business which promises such attractive profits may have for a while a disturbing effect upon the regular occupations of the province, but the possibilities of breeding in captivity the more valuable native fur-bearing animals are such as should enlist wide interest and a careful study of the subject.

In the three provinces, although part of the summer was very wet, the returns from agriculture will be up to the average. The quality of the hay is inferior but the yield was generally fair. Coarse grains and potatoes yielded well, and while the record production of apples in Nova Scotia in 1911 was not repeated, the orchards have done very well, and with careful grading of the fruit by the farmers' co-operative societies and the great advantage of proximity to the English market they have produced satisfactory cash results. Evaporating and cider factories use the inferior and damaged fruit to good advantage, thereby reducing the waste to a minimum. All the products of the farm have brought high prices—those for live stock of all kinds showing an average increase in ten years of about 60%, although in this respect New Brunswick and Nova Scotia are still very far behind.

The lumber trade met with unusual conditions in New Brunswick where there are over 7,000,000 acres of timber land with an estimated annual output of 675,000,000 feet, and in Nova Scotia where there are 5,500,000 acres with an estimated output of 460,000,000 feet. There was an average cut, economically produced, but while the market for deals in England was quite good throughout the year, and conditions in the United States and the West Indies improved substantially, the unprecedented scarcity of tonnage and the consequent difficulty in making shipments rendered a profitable export business almost impossible.

In this regard there is at present no improvement in sight, and although foreign stocks are low and markets strong, we expect that the large mills this winter will somewhat curtail operations. For the larger portion of the product of the smaller mills there is now a good and growing local market.

The fisheries presented no very unusual features. The total catch turned out about an average quantity, being larger than would justify present prices, and the remarks made a year ago will apply to the situation at the present time. On the whole, with the possible exception of the sardine industry in New Brunswick, it has been a profitable year for the large fishing population of the North Atlantic seaboard, but the prices paid for dry-cured cod, the principal fish of the trade, were so high that the large distributing houses of Halifax and St. John's, whose annual shipments of that fish alone are valued at about \$10,000,000, have had to be content with a small margin of profit. The trade in fresh, frozen, smoked, and boneless fish has been much the largest in its history, steady supplies being maintained by the use of steam trawlers, and the increase in the shipments of these grades to Quebec, Ontario, and the western provinces has in two years been not less than 150 per cent. The lobster catch was slightly under the average, but the enhanced prices produced fully average results. The investigations of the Conservation Commission and the appointment of a Shellfish Commission by the Dominion Government have given great satisfaction, and it is earnestly hoped that the latter will be able to draw up regulations which will ensure the permanency of the lobster fisheries and renew the thousands of acres of depleted oyster beds in connection with which there are possibilities of great wealth.

The principal mining industry is that of coal mining in Nova Scotia where a new record annual production of about 7,000,000 tons has been reached. This for a few years will probably be the maximum, but thereafter by the

regular opening of fresh pits there is no reason why there should not be a steady annual increase, for which there will always be a ready market. It is indeed probable that when the transcontinental railway lines shall have come through to Halifax, they alone will take the greater part of the output. In New Brunswick the coal mines in Queen's County and the iron mines in Gloucester County are in successful operation. The natural gas wells near Moncton have important industrial possibilities for that district. The other mining operations of the two provinces have not shown any unusual activity.

Manufacturing of all kinds has reflected the excellent business conditions prevailing elsewhere in Canada, and without any exception the mills, in many instances recently enlarged, have been fully employed at remunerative prices. The steel works at Sydney and New Glasgow, now national enterprises of great importance, have had full employment for a considerably enlarged plant. They encountered serious competition from the United States early in the year, but this situation improved later on, enabling both companies to increase their prices to a more profitable level, and, from the present outlook, this condition of affairs is likely to continue for some time to come.

In general business it has been a year of uninterrupted success, with a reasonable expansion in all lines but without any signs of overtrading and with no considerable business failures. Labour has had no interruption from strikes or other causes, and the earning power of the population, especially that of the skilled workman, has more than kept pace with the increased cost of living. Debts were satisfactorily discharged and general credit conditions were never better.

In shipping and foreign trade there is little change to report, but an increase in exports to the British West Indies under the proposed preference may be confidently expected.

In Newfoundland, where the Bank is now established in St. John's, there has been for some years prosperity and progress. The extensive shore fisheries, under improved methods, have on the whole produced a good catch and the prices realized have been as high as those of any previous year. The development of the mining, agricultural, manufacturing, timber and pulp resources of the colony has been of a steady and progressive character. The Government revenues are in a satisfactory condition, and the investments and savings of the population are estimated at about \$18,000,000. The exports show a satisfactory increase and are now within \$858,000 of the imports, the latter from Great Britain and Canada showing increases for the year of 23% and 5% respectively. As in the Maritime Provinces one of the most significant signs of progress is the improvement in transportation facilities. The Reid Newfoundland Company, which formerly gave only a tri-weekly railway service across the Island, have put on a daily train connecting at Point aux Basques with the boat which makes the daily run to North Sydney in seven hours. This, for commercial and mail purposes, will make Newfoundland a part of the continent.

QUEBEC

The Province of Quebec has had its full share of the general prosperity enjoyed throughout Canada in 1912. Notwithstanding the anxiety which was felt during the summer regarding the crop prospects the yield proved considerably better than was expected, and the high prices obtained for all farm produce to a great extent compensated the farmers for any shortage that there may have been in the size of the crops. The weather conditions under which farming operations were carried on during the year were decidedly unfavourable. The cold, wet weather in the spring delayed seeding and the growth of the crops was retarded by the excessive rains during

the summer; these conditions continued throughout the fall, preventing the grain from maturing properly, and making harvesting difficult and expensive. The yield of grain was generally below the average and the quality not up to the usual standard, while in many instances the crops on low lying lands were a failure. The crop of oats was light and in some cases the oats were cut green and used as feed for stock. Reports as to the root crop are somewhat conflicting, but the results appear to have been better than in 1911—this applies especially to potatoes. Vegetables and garden products have found a ready market at high prices. The hay crop suffered in some districts from too much moisture, but on the whole the yield proved satisfactory and in some districts record crops are reported. The abundant hay crop of 1911 enabled the farmers to winter somewhat larger herds of cattle and the season this year was good for pasture. The result was that the quality of the cattle was above the average and large shipments were made to the Montreal market, where high prices were obtained. A moderate number of sheep of good grade were marketed. It is encouraging to note that in some districts considerable attention is being given to the breeding of fine cattle and horses, and important sales were made during the summer at exhibitions of fine stock. No marked increase is noted in hog raising, and local packers continue to send thousands of dollars annually to Ontario to enable them to feed the inhabitants of Quebec. Dairy operations have been attended with more than ordinary success owing to the increased output and the high prices obtained for butter and cheese. The factories generally report that their receipts of milk have been large and the quality above the average. It is interesting to note that some of the factories in the Eastern Townships find a ready market for their cream across the border line at prices, it is claimed, which yield the

factories better returns than would be obtained if they manufactured the cream into butter.

The yield of maple sugar was unusually small this year, but the quality was good and prices high. This is a very important industry in the province, and it is regrettable that more effective measures are not adopted everywhere in Canada to protect the pure product by prohibiting the sale of adulterated syrups and sugars labelled "maple."

The cultivation of tobacco is becoming an important branch of agriculture in some sections of the province, and an idea of the extent to which this industry is carried on may be obtained from the statement that in one district 3,000,000 pounds were harvested in good condition within a radius of five miles. It was not, however, a favourable year for this crop, as owing to the wet season the plant did not mature quickly enough and the quality of the leaf was somewhat inferior. The profits from growing tobacco are much larger than those from ordinary farming.

Complaints are general as to the scarcity of farm labour, and although high wages are offered conditions do not improve.

The records at the Quebec Observatory show that the rainfall during five months of this year (May to September) reached a total of 24.82 inches, while the average for the same period during the last fifty years was only 18.93 inches.

Last winter was a favourable one on the whole for lumber operations in Quebec and the cut of logs was fairly large. Lumber was in good demand throughout the year at improved prices. There was also a steady demand for pulp wood in both Canada and the United States, and large shipments were made to American paper mills at satisfactory prices. Conditions in the asbestos industry improved somewhat during the year, there was a better demand for all grades, and prices were firmer.

In many respects the navigation season of 1912 was a remarkable one, especially with regard to the increase in west-bound passenger traffic, the arrivals in the port of Montreal being greater in number than during any previous season since the record year of 1907. Freight traffic also showed a marked increase, and rates were more remunerative. The increase in the size and tonnage of the steamers using this route has made it necessary to deepen and widen the ship channels, and dredges were engaged in this work throughout the season.

The export trade in apples from the port of Montreal during the season of 1912 was larger than that of the previous two years, the shipments showing an increase of 60,378 barrels and 22,554 boxes as compared with 1911, and an increase of 163,996 barrels and 222,619 boxes as compared with 1910. While exports of butter for the season of 1911 showed a phenomenal increase over the figures of the previous four years, there was an equally great decrease in 1912, exports to Great Britain having ceased altogether. The demand from British Columbia and the western provinces was very large and 166,250 boxes were sent west, an increase of 50% over the shipments of last year. It is estimated that unless there is a development of mixed farming in the next two or three years it will be necessary for Canada to import butter. Owing to increased local consumption cheese exports decreased 87,645 boxes, the total shipments being 1,723,021 boxes as against 1,810,666 boxes in 1911, and 1,892,235 in 1910; at the same time, on account of the higher prices obtained, the value shows only a slight decrease. The total shipments of grain were 38,918,264 bushels, an increase of 9,025,080 bushels over 1911, and of 12,058,996 over 1910. A noticeable fact is that while in 1911, 5,890,000 bushels of American corn were shipped from Montreal, not one bushel was exported this season. Wheat exports on the other hand were about 12,500,000

bushels larger than last year. Exports of oats, barley and rye were also larger. Hay shows a large decrease, the total being 563,783 bales against 853,962 bales in 1911 and 717,715 in 1910. Flour exports were 1,827,421 sacks and 376,852 barrels compared with 2,217,365 sacks and 186,470 barrels in 1911. The increase in the number of barrels shipped represents a larger trade with Newfoundland. An exceptionally good year was experienced in the lumber trade, exports being 109,370,764 feet as against 103,473,220 feet in 1911, an increase of 5,897,544 feet.

There has been continued activity in real estate during the year, the volume of transactions and the aggregate value represented exceeding all previous records. Prices have advanced for property of every description—commercial, industrial and residential. The increase of \$120,000,000 in 1912 in the assessed value of taxable real estate in the city of Montreal, following as it does a substantial increase in 1911, is an indication of the rapid advance in values which has taken place in city properties. There has been a great deal of speculative trading in real estate, especially in outlying sub-divisions. Prices of central city properties, however, hold firm, and the demand for desirable sites for building purposes will probably continue for some time yet. Building operations have been active throughout the province and have been on a very large scale in the city of Montreal, the total building permits issued for the year being \$19,642,000 as compared with \$14,580,000 in 1911. The towns of Westmount, Outremont, Verdun and Maisonneuve are within the territory of Montreal, but are separate corporations and the amount of their building operations is not included in these figures.

Trade conditions generally throughout Quebec have been good this year. Manufacturing concerns have been working up to their full capacity, and cotton mills, the

building and metal trades and many other industries are finding it difficult to keep up with their orders. The year has been a prosperous one for the flour milling business, the increasing home demand absorbing a larger percentage of the output. The metal trade has been very active at advanced prices.

The figures of the bank clearings in Montreal for the year exceed all previous records, the total being \$2,845,470,000, an increase of \$476,980,000 over last year's figures.

ONTARIO

The results of the past year to the farmers of Ontario indicate that on the whole it cannot be regarded as an altogether unsatisfactory one. The opening of spring was late in some sections, and continued wet weather during the summer and fall caused a good deal of anxiety as to the final results of the crops. Fall wheat, which is extensively grown in Ontario, undoubtedly suffered more than other grains, but it is a satisfaction to note that in many districts, where early conditions indicated damage to this grain, the farmers were fully alive to the situation, and saved themselves by reploughing the land and reseeding it with coarse grains suitable for feeding purposes. Where the fall wheat escaped injury from frost and wet weather our reports show that the yields were quite up to the average and the grade equal to the best of previous years. Spring wheat was barely an average crop and suffered a good deal from variable weather conditions. Oats and barley generally gave an abundant yield, although also damaged by weather conditions to some extent. The principal districts producing corn report excellent quality and good yields. Hay has been an abundant crop, having an estimated value of \$78,310,000, and the pasturage for live stock during the year was better than usual owing to an abundance of moisture. With the

exception of the potato crop, roots have given satisfactory returns.

While the results from the raising of grain are not generally satisfactory, yet the loss through shrinkage in quality and price will be fully made good to those farmers who have been progressive enough to guard against such a contingency by providing for the raising and feeding of cattle, pigs, sheep, horses, etc. Fortunately, too, the farmers of Ontario are rapidly learning to minimize the loss from poor grain crops by utilizing them in the green state for feeding purposes by means of the silo, and a great deal of money will be made by individual farmers as well as saved to the country generally by the adoption of this method of storing fodder.

The latest returns compiled by the Provincial authorities indicate the holdings of live stock and the yields of grain, hay and roots to be as follows:—

LIVE STOCK			
	1st July, 1911	1st July, 1912	
Horses	737,916	742,139	
Cattle.....	2,593,205	2,624,780	
Sheep and Lambs....	1,040,245	1,021,848	
Swine.....	1,744,983	1,702,652	
Turkeys.....	638,943	660,843	
Geese.....	365,876	362,674	
Ducks.....	404,679	415,251	
Other Fowls.....	11,532,795	11,586,215	
Wool Clip.....	3,780,798 lbs.	3,669,419 lbs.	

FIELD CROPS			
	Acres	Bushels	Estimated Value
Fall Wheat.....	759,888	15,039,885	\$14,287,890
Spring Wheat...	123,080	2,302,339	2,072,105
Barley.....	647,382	19,232,275	11,539,365
Oats.....	2,601,735	98,444,807	32,486,786
Peas.....	221,524	3,667,005	3,667,005
Beans.....	69,703	1,182,132	2,659,797
Rye.....	105,949	1,839,675	1,306,169

FIELD CROPS—(continued)

	Acres	Bushels	Estimated Value
Buckwheat	205,893	5,414,796	\$ 2,436,658
Corn (for husking)	301,251	21,969,468	9,886,260
Potatoes	158,888	21,346,394	12,167,444
Carrots	2,742	747,207	246,578
Mangel-wurzels . .	60,103	27,671,114	2,213,689
Turnips	101,529	49,561,566	4,956,156
Sugar Beets	21,054	7,819,066	938,287
Mixed Grains . . .	448,402	16,382,161	9,829,296
	Tons	Tons	
Corn (for silo) . . .	377,982	3,969,597	8,614,025
Hay and Clover . .	3,367,369	5,220,713	78,310,695
			\$197,618,205

The total market value of the same crops for last year was \$179,974,000.

Where proper methods for the raising of live stock prevail the profits this year have been very satisfactory. The cattle have fattened well, owing to good pasturage, and prices have reached unusually high figures. Hogs have commanded high prices through heavy local and export demands. Farmers who take an interest in raising a good class of horses are able to obtain almost fancy prices. There is a greater tendency, too, in some quarters to engage in the raising of cattle for the production of milk. With this in view particular attention is being given to the breed of the animal. This is a branch of farming which should receive every encouragement from those engaged in the manufacturing of dairy products, such as butter and cheese.

It is a satisfaction to note that where cheese is manufactured the output of the majority of Ontario factories shows a good increase over last year, and also that the prices realized are considerably higher than those of last year. In districts where dairying is carried on extensively the returns have been good, although it is to be

regretted that large quantities of cream are exported which should be available for manufacturing into butter and cheese. This branch of industry appears to entail much harder work than the mere delivery of milk to the cheese factories, and those engaged in it should see that proper facilities for the collection of the cream are afforded the farmer and that he receives a reasonably good return for his labours.

With possibly one or two exceptions the yields of the smaller fruits have been up to the average and the prices received were on a higher level consequent upon an increased demand from the western provinces and the greater requirements of the canners to fill contracts they had closed for future delivery. Peaches gave an unusually large yield, and although prices fell below those of previous years there was scarcely a time during the season when the supply of good varieties was greater than the demand. The yield of apples was unusually good and prices are consequently lower. There is a general feeling that the profits of apple growers have suffered from careless methods of handling the fruit. In some quarters competent authorities consider that such criticisms are unjust, as there is always, in the case of a large crop, a certain percentage of waste. The chief difficulty in obtaining the best results from an orchard appears to be that of securing labour during the picking and packing seasons, but an attempt is being made by the fruit dealers to remedy this unsatisfactory state of affairs.

In summarizing our remarks on agriculture we would say to the farmer and raiser of live stock that as the business man in these days of strenuous competition finds himself forced, in order to secure success, to specialize in certain lines of his particular business, we think that the farmer also should carry this principle into the management of his affairs. He may devote his attention to one or more of the following lines: the

cultivation of the best varieties of wheat, oats, barley, flax, peas, hay, roots, etc., and the selection of seed; the raising of improved breeds of cattle, horses, hogs and sheep; the production of the highest grades of all kinds of fruit adapted to this province; the development of our dairying industry and the increased production of cheese, butter and cream; or the breeding of high-grade small live stock, such as fowls, geese, turkeys or ducks. Our information shows that only a beginning has been made by the Ontario farmer to excel in the lines mentioned. We know, however, that where the principle suggested has been carried out the results obtained have in many cases been almost incredible. We do not wish to discourage the Ontario farmer in his efforts to raise grain, but the day is not far distant when the more general adoption of modern methods by the farmers of the western provinces, which by the way do not lend themselves altogether to the working of Ontario farms, will result in practically driving the Ontario man to adopt the highest possible system of intensified farming if he wishes to continue to secure proper returns for his labour. Whilst western methods are not yet by any means what they ought to be, indeed are crude and harmful in many ways, yet the richness of the arable lands offsets for the present the loss from indifferent farming and gives the westerner a considerable advantage over his eastern competitor. The westerner, however, cannot continue much longer in impoverishing the land by constantly cropping it and failing to restore its richness by the use of fertilizers. He will, we hope, soon learn by experience that only by proper methods can the best results be obtained.

Whilst the cut of lumber in the Ottawa valley will show a considerable increase over 1911, yet it is estimated that the cut for the whole of Ontario will be less by 175,000,000 to 200,000,000 feet than that of 1912. This is attributable partly to the destruction by fire during the year of

several important mills. The demand in the Canadian markets has been good and prices have advanced steadily. The demand for all kinds of low grade lumber is unusually good and the prices for this grade are higher than ever before. The visible supply is barely sufficient to meet the requirements of the market, and this condition will doubtless force the consumer to use common grades for the manufacture of boxes and other classes of work for which low grades would otherwise be used. As the visible supply of the high grades is also limited, prices are likely to rule firm and possibly advance still further. The one unsatisfactory feature of the industry is the question of labour. Skilled men it is almost impossible to secure, and the employment of the foreigner, who has practically no experience and requires a great deal of instruction, adds materially to the cost of manufacture.

The Cobalt district reports satisfactory results. The silver production is about 30,500,000 ounces valued in the market at \$18,500,000, and to the mines at \$17,500,000. Compared with 1911, which was the record year, the value is higher by \$1,500,000, but in weight, the real indication of production, a falling off of about 1,000,000 ounces is shown. From the foregoing figures it would not appear to have been necessary for the mine owners to ship so freely in order to keep up their dividends and although it would seem that we may secure the same production for a few years longer, yet we cannot expect, according to the best authorities, to continue showing in the future the same gratifying yearly increases that we have in the past. No important new districts have been discovered during the year and the outlying points of the Cobalt district have not added much to the total production. As a matter of record we quote the value of the production since the camp was opened:

1904.....\$ 111,887	1909.....\$12,461,576
1905..... 1,360,503	1910..... 15,478,047
1906..... 3,667,551	1911..... 15,949,019
1907..... 6,155,391	1912(estimated) 17,500,000
1908..... 9,133,378	

a total for the nine years of \$81,817,352. These figures indicate the return to the mines after deducting freight and smelter charges. The gross market value would be about \$87,000,000. In 1911 the value of the world's production of silver was \$127,849,000, as against \$128,703,000 in 1910. Canada ranked third with 14% of the total, Mexico first with a production valued at \$42,842,000 and the United States second with a valuation of \$30,805,000.

The price of silver during 1912 has been satisfactory. Not since 1906-7 have we seen such prices for this metal. In January the average was 56.2 cents per ounce, and there was a gradual rise during the year until October when it averaged 63.4 cents. The average for the year will be about 61 cents, an increase of about 8 cents over the average for 1911. This means to Cobalt an increase in value of about \$2,400,000 on the production for the year. Some of the principal influences in bringing about this rise of price were prospective purchases by China, purchases by the Government of India, and the curtailment of the production in Mexico consequent upon the unstable condition of business resulting from the rebellion of the past two years.

At Porcupine satisfactory developments have been going on and these are now known to the public. The value of the ore deposits in this district is estimated at \$25,000,000; about \$2,000,000 worth has been taken out this year and a production of \$6,000,000 is estimated for 1913. It seems evident that the camp will add to the world's output of gold about \$6,000,000 per year for a few years to come.

The world's production of gold in 1911 was \$465,414,000, compared with \$454,613,000 in 1910. The chief contributors in 1911 were:

Transvaal... \$170,000,000	Rhodesia... \$12,986,000
United States. 96,233,000	India..... 10,659,000
Australasia ... 59,787,000	China 10,000,000
Mexico 29,196,000	Canada..... 9,762,000
Russia..... 24,865,000	

Canada's share thus amounts to about 2% of the whole.

Ontario's mineral production for 1911 was \$41,432,000 as against \$39,313,000 for 1910, and \$32,981,000 in 1909. Of the total for 1911 \$29,000,000 was metallic, silver contributing \$15,949,019, pig iron \$7,600,000, nickel \$3,664,000 and copper \$1,281,000.

With hardly an exception the manufacturing centres report great activity in all lines and much difficulty is experienced in filling orders. In some lines manufacturers are refusing to fix dates for delivery and the jobber is fortunate indeed who receives sufficiently prompt delivery to enable him to take advantage of the constantly advancing prices.

The building trade has been exceedingly active throughout the province, in spite of advancing prices for material and the increase of wages generally. In Toronto not even the high prices for real estate appear to check this activity. In large centres, but principally in Toronto, sales of property in the business sections have reached figures which two or three years ago would have been regarded as incapable of yielding a reasonable return upon the capital invested. We view the present situation in the real estate market with some degree of concern as regards the high prices recently paid for business properties as well as for property considerably beyond the limits of business areas.

It is satisfactory to learn that fair progress has been made in improving some of our main highways, and that provincial governments and municipalities now see the importance of continuing the work with all the despatch which available funds and the supply of labour will permit.

The records of the tonnage passing through our canals, rivers and lakes indicate a healthy growth as compared with last year and the business appears to have returned satisfactory profits. The Sault Ste. Marie Canal figures are:

<i>Canadian Canal—</i>	1911	1912
Tonnage in freight.....	27,646,523	34,625,120
Registered tonnage of vessels.....	17,114,644	22,545,852
<i>American Canal—</i>	1911	1912
Tonnage in freight.....	19,722,711	23,158,744
Registered tonnage of vessels.....	20,020,305	27,127,612

MANITOBA, SASKATCHEWAN AND ALBERTA

When the agricultural season of 1911 ended there was sufficient uncertainty as to the final outcome to check any tendency towards undue expansion on the part of either the farming or the business community of the prairie provinces. While the grain crop was a large one, the average grade was low; threshing was badly delayed by wet weather; and probably more than 50,000,000 bushels of grain went under snow in the stook and stack, much of which pessimists prophesied would never be threshed. The snow-fall being light, however, this particular grain threshed out in the spring with a better net result to the farmers than they derived from their fall threshing, and as all grains kept at high price levels, the season on the whole proved a very favourable one.

Despite a somewhat prolonged drought in June and unusually wet weather conditions in July, August and September, the 1912 crop is undoubtedly larger than that of 1911, the comparison being as follows:



STRATFORD, ONT.

	1911		1912
Wheat.....	177,100,000 bushels.....		196,400,000 bushels
Oats	190,000,000 "		224,500,000 "
Barley.....	33,000,000 "		39,600,000 "
Flax.....	8,000,000 "		12,900,000 "

The figures for 1912 are estimated. Only a small part of the crop will have to be left for threshing in the spring. The average grade is much higher than last year—indeed the quality is the best in ten years, with one exception, but prices are at present much lower than in 1911-12, and unless the markets improve later on, the net money result per acre to the farmer will not be much if at all better than that of last year. The total money value to the farmer, however, will be in the neighborhood of \$200,000,000. When to this sum is added the money realized from root crops, live stock and dairy products, and consideration is given to the fact that while the rural population of the three provinces is increasing in a large ratio it is as yet only 849,042, it is not necessary to seek further for an explanation of the great prosperity which the western country has been enjoying, as reflected in the astonishing growth of the principal cities and towns, the rapidity of the railway development, and the extraordinary increase in the volume of manufacturing and distributing.

Over most of the country the mild weather which prevailed well into November has enabled farmers to do a great deal of fall ploughing, so that seeding should be carried on next spring under much more favourable conditions than last season. A great deal of new land has been broken, and the acreage under crop next year will therefore show a large increase.

In order to comprehend the development of the western country during the last few years and to form an adequate idea of the growth for which we must prepare, the facts regarding the flow of immigration will be found

illuminative. The figures of the immigration to Canada since 1900 are as follows:

1900-1 (to 30 June).....	49,149
1901-2 " " ".....	67,379
1902-3 " " ".....	128,364
1903-4 " " ".....	130,331
1904-5 " " ".....	146,266
1905-6 " " ".....	189,064
1906-7 (9 mos to 31 March).....	124,667
1907-8 (to 31 March).....	262,469
1908-9 " " ".....	146,908
1909-10 " " ".....	208,794
1910-11 " " ".....	311,084
1911-12 " " ".....	354,237
1912-13 (estimated as to last 5 mos.).....	400,000

At least 50% of this immigration settled west of the Great Lakes. The percentage in 1911-12 was 52, while for 1912-13 it is estimated at 54.

It is a notable fact that in the United States, marvellous as the growth of that country has been, an immigration of 400,000 a year was not reached until the total population was over 40,000,000. The tide of immigration did not commence flowing to Canada until after 1900. It set in not only because of the great fertility of western Canada but because it is now the last area in North America where free and cheap land is available. We are thus assured of an increasing volume of emigrants from at least the northern countries of Europe, as well as of settlers of the best type from the western United States where land values have advanced to figures which make the agricultural possibilities of our western provinces particularly attractive. We must therefore prepare for a continued increase in immigration to an extent which will for many years tax all our resources in matters of transportation, manufacturing, banking, distributing, etc. Preparation for this development so that it may proceed without being attended by grave dangers renders it necessary that the problems it

involves should be foreseen and as far as possible solved in advance.

The encroachment of settlers on lands which were formerly used by ranchers for ranging their live stock has gradually driven the large rancher out of business until there are now not a dozen really large ranchers left. It has become clear that a serious mistake was made in putting no restrictions on the settlement of ranching lands. Large areas better suited to ranching than farming have been rendered useless for ranching by a scattered settlement, and a Government Commission has now been appointed "to enquire into and report on the advisability of setting apart certain tracts of land for the encouragement of ranching and grazing in southern Saskatchewan and Alberta." If much is to be accomplished in this direction, however, it will be necessary for the Government to make a considerable appropriation to buy out settlers in districts best suited for ranching and move them to other districts. How deplorable a situation has been created in the cattle raising industry of the west will be understood when it is stated, on excellent authority, that so great is the shortage of cattle in the hands of ranchers and farmers combined that contracts have already been made under which dressed beef from Australia and New Zealand will be delivered at Vancouver in March and April for western packing houses.

The situation in this matter is illustrated in an equally striking manner by the following figures of cattle exports from the ranching province of Alberta:

1907.....	43,000 head	1910.....	52,000 head
1908.....	62,000 "	1911.....	11,000 "
1909.....	67,000 "	1912.....	5,000 "

During the past ten years the price of the highest grade beef cattle on the Winnipeg market has risen from about $3\frac{1}{4}$ cents per pound live weight to $6\frac{1}{4}$ cents—approximately 100%. It is not therefore remarkable that 1912 has been

the most prosperous year for those ranchers who had stock to sell.

To find a remedy for the shortage in cattle and other live stock we must now look mainly to what can be accomplished by the increased development of mixed farming, and at best it must be four or five years before the supply of beef cattle can be largely increased. By far the larger portion of the three western provinces is admirably adapted for mixed farming, and it is a matter of great importance that the adoption of such methods should proceed much more rapidly than is at present the case. It is gratifying to find that this year over a large portion of Alberta and Manitoba and in many parts of northern Saskatchewan, particularly in those districts which in past years have suffered from frost, there is now a pronounced tendency on the part of the farmer to acquire live stock, but want of capital renders this development a very slow one. If the farmer could readily borrow money with which to carry cattle, it is clear that in the districts above mentioned a great impetus would be given to mixed farming. In those parts of the country however where the results from grain raising have been almost uniformly satisfactory there is little hope of inducing the farmer to go in for live stock.

The rapid increase in the total grain crop creates two problems for the farmer, namely, a shortage of labour, and a physical difficulty in the way of marketing grain promptly. The unwisdom of attempting to force a whole year's grain crop on the market in a period of two or three months is generally admitted, and as the financial position of the individual farmer improves so that he will not be compelled to realize quickly on his crop, the problem of marketing the grain will doubtless be largely met by increasing the storage facilities on the farm as well as those of the country elevator systems. The shortage of labour at the season when the saving of the crop necessitates its

being cut and threshed quickly, involves an annual loss to the farmers of several million dollars. This is a condition which is not likely to be remedied until the permanent farm labouring population is largely increased, and mixed farming would bring this about to a large extent by offering employment for labour the year round instead of during seeding and harvest time only. The situation calls for concerted action on the part of the governments, and of the railways, banks and other large business interests, not only to promote the adoption of better farming methods, but to provide means of financing the progressive farmer who desires to go into stock raising. We cannot force the development of mixed farming, but we could seek to remove the difficulties in the way. The losses suffered in numerous districts from damage to grain by wet and frost, and the disappointment of farmers generally because of the recent drop in grain prices—occurring coincidentally with high prices for all live stock,—render the present a peculiarly opportune time at which to inaugurate a vigorous movement to encourage diversified farming.

In 1911 about 1,459 miles of railway were constructed in the three prairie provinces; in 1912 the new trackage built has been approximately 1,250 miles; while the work already planned to be undertaken in 1913 and 1914 is upwards of 2,000 miles. The question has naturally been raised whether there is not to be found in the figures of our railway construction work a menace to the uninterrupted prosperity of the country. What will happen, it is asked, when this railway construction ceases and with it the circulation of money due to the expenditures on such work? We have no desire to minimize the problems and dangers attendant on such a rapid development as we are enjoying, but we think the answer to this question is that transportation facilities are scarcely keeping pace with the growth of traffic, and that assuming

the flow of immigration continued to increase there could be no sudden cessation of railroad construction. When the work on the main lines is completed a large mileage of branch lines will be required, and the lessening of expenditures on railways should be a gradual process—and in view of the scarcity of labour of all kinds during the past few years such a contraction in railway building might have counter-balancing advantages.

The unparalleled growth of western urban municipalities of every class—which in a new and purely agricultural country could only reflect a corresponding settlement of the land—has created a problem in municipal finance which fortunately was brought sharply home to municipal officials during the past year. The extent to which the average western town has made expenditures on permanent pavements and sidewalks of the best kind, on schools and other municipal buildings adequate in scale and creditable in design, and on modern water, sewer and lighting systems is very marked. It is also notable that where the larger cities have established municipally owned tramways and power systems, the construction and equipment of these is of a most approved class. Usually the wisdom of local improvement expenditures from the standpoint of the present and prospective needs of the municipalities cannot be seriously questioned, but the aggregate offerings of the resulting debentures have risen to figures which, added to those of Provincial Government issues, have suddenly exhausted the supply of monies available for investment at the rates which this class of Canadian security has been commanding. As a consequence some municipalities have had to sell their securities at large concessions on previous prices, while others held over a considerable mass of debentures in the hope of an improvement in the market, and most of these securities will now have to be carried until the financial markets recover from the effect of the eastern war situation. It is clear that even then,

having regard to the immense increase which must take place in the future offerings of Canadian provincial and municipal securities, considerably lower prices for these securities should be expected.

The existence of an extensive speculation in real estate cannot be denied, but an exaggerated impression prevails, particularly abroad, as to its bearing on the commercial prosperity of the country. We have no hesitation in saying that very few well informed land men can be found, even among mortgage lenders, who regard western farm land values as at all excessive, although it is important to note that nevertheless the land mortgage companies continue to place an extremely conservative limit on the amount they will lend per acre even in the most favoured sections of the country—a fact which itself acts to prevent inflation of values. If we are to judge by standards prevailing throughout North America, the values of outside business properties in most of the growing cities and towns of the west have, to say the least, discounted a good many years of the future, and sooner or later a readjustment of values must take place, though how long this readjustment may be delayed through the very necessities of so rapidly increasing a population it is impossible to say. This opinion however is so widely held among the leading business men throughout the country, and especially among those who have control of the banking institutions, life assurance companies and other loan and investment companies, that the speculation in real estate has been confined in such channels that a serious shrinkage in values could have but an inconsiderable effect on the prosperity of the country as a whole. The real estate conditions affect chiefly the business situation in so far as country merchants have a portion of their capital invested in real estate, but the storekeeper's speculation is usually in farm lands, the values of which, as pointed out, are not on a level which leaves room for a severe shrinkage. The speculation in city

MacKenzie River. The experience of one year is not of course sufficient to demonstrate that grain growing would be successful, but it does suffice to establish the possibilities of mixed farming, and it is gratifying to know that the settlers are taking up live stock raising at the outset, so that settlement is commencing under conditions which will ensure success. An immense flow of natural gas was struck at Pelican Lake at a depth of 1,000 feet, while a moderate flow was also found at Athabasca Landing at a depth of only 350 feet. There are also large fields of coal, presumably of the same character as the Alberta coal, and there are indications of copper and other minerals near Great Slave Lake and other parts of the north.

Another recent development of large significance is the evolution of a new species of wheat — the "Marquis" variety — which matures about ten days earlier than any other wheat now known. For milling purposes it is quite equal to No. 1 Northern, and it is the variety with which Mr. Wheeler of Rosthern in 1911 won the prize at New York for the best bushel of wheat grown in America. It will be extensively sown in the west in 1913, and its great value to the country of course arises from the fact that it will be ready for harvesting before the time at which frost is to be feared.

BRITISH COLUMBIA AND YUKON

In British Columbia the prosperity of the past few years has continued without showing signs of abatement. These satisfactory conditions may be ascribed somewhat to the railway construction which is in progress and which is likely to continue for some few years to come, but there has been a steady influx of population, a continuance of which it seems reasonable to expect. Prices of real estate have in many cases increased and have in every direction been fairly maintained. In Vancouver the record figure of

\$6,000 per front foot was recently paid for a prominent corner on one of the two principal streets, and in Victoria prices have also steadily advanced. The development of Vancouver Island is progressing rapidly and new localities are being exploited as a result of the actual or expected arrival of railways. The flow of capital seeking investment in the province continues without cessation, and we find people of large means in Great Britain buying extensive areas in the northern and outlying sections with a view to the establishment of ready-made farms to which desirable settlers will be sent. It is becoming recognized in Great Britain that safe investments can be secured in British Columbia which will return rates of interest much in excess of what can be obtained on the other side of the Atlantic.

Municipal borrowings, principally for local improvements, still continue to be active, but the position now is that the British investors seek better returns for their money, consequently either the debentures must bear higher rates of interest than in the past or they must be sold at a lower price. It is extremely desirable that municipalities, before embarking upon works which will call for the issue of their obligations, should arrange definitely for the sale of the relative debentures.

North of the line of the Canadian Pacific Railway Company in this province, new agricultural sections are being opened up, and a fairly steady flow of settlers is coming in along the line of such of the expected railway developments as are to some extent assured. The opening of the Panama Canal will, it is expected, attract to ports on the Pacific coast from as far east as the central portion of Saskatchewan a considerable quantity of the grain which has hitherto been exported via the great lakes. The question has been raised as to whether grain can be satisfactorily handled by that route on account of the heat which it will encounter in the southern latitudes, but the weight of opinion is in the affirmative, and it seems clear

that a saving in cost will be effected by shipping via the Pacific coast.

The fruit industry is steadily becoming of more importance, and there has been little or no falling off in the prices asked for fruit lands of both the improved and unimproved class. The available area is being gradually extended and now covers sections in almost all parts of the province south of or in the neighbourhood of the line of the Canadian Pacific Railway Company. Mistakes have been made as to the kinds of fruit which should be cultivated in the various districts, but this is being rapidly overcome as the result of experience. It may be emphasized that fruit culture requires practical knowledge without which it cannot be successfully conducted. There has been some tendency in the past to overlook this requirement and to rely upon second-hand information or such as has been academically acquired. The labour feature in this connection is one that will call for some serious consideration as the large areas now under cultivation come under full bearing, and this year it was made plain that properly organized selling agencies to handle the fruits of each district are an absolute necessity. For lack of these and because of inadequate transportation facilities in some districts, tons of fruit were allowed to rot on the ground.

The crops of hay and oats were about up to the average. The potato crop this year did not prove, in some of the westerly sections, quite so satisfactory as regards quality, and as the high prices of last year had induced much heavier planting, the result was lower prices throughout. Other roots were about normal. Hops are grown in a few sections; the output is not heavy, but results were satisfactory and there is no reason why there should not be steady development in this branch of agriculture.

Cattle wintered well and prices have been well maintained. In the latter part of November the record figure of $6\frac{1}{4}$ cents live weight was paid in the Kamloops district.

Cattle-raising on ranges in the older sections is steadily decreasing partly owing to the prevailing high prices for land. In the past a very large amount of acreage devoted to cattle ranches has been held under Government leases, and this is now being cut up into homesteads.

In the salmon industry this is the last of the lean years in the quadrennial period, but the pack, which amounts to 996,576 cases for the whole province, shows a distinct improvement as compared with 542,689 cases put up in 1908, the corresponding year. Next year the large run of sockeyes on the Fraser River takes place. The catch in the northern rivers was exceptionally good, but prices everywhere for the cheap grades have ruled low. Last year a very large quantity of fish was poorly packed and an extra quantity of low-priced varieties was put up in Alaska. The large dealers to the south, finding that so much of the pack was in the hands of the middlemen, dropped the prices for the lower grades to cost or slightly under, and the bulk of this class of fish has now passed out of the hands of the middlemen. The opening of the season next year should find stocks very low. The beneficial result of this action is apparently unquestioned, although naturally the middlemen do not cordially appreciate the partial elimination of their profits. An attempt was also made by the British dealers to induce a return to the system of shipping on consignment; this, however, was wisely and successfully resisted by the packers. It is satisfactory to note that the Government hatcheries this year have been well stocked and the effect upon the supply of fish in the future, if this policy is continued, can be readily judged.

In lumber the conditions in the earlier part of the year, in respect to both demand and prices, were unsatisfactory, this being largely due to the dumping in the Central Western provinces of the cheaper grades produced in the United States. A much better state of affairs now exists, partly owing to the improvement in the lumber business on the

other side of the line and partly because of the good harvest in our prairie provinces. Prices rule from \$1.50 to \$2.00 per thousand feet better than in 1911, and the indications are for a continuance of a strong market for some time to come. The cut of lumber in British Columbia for 1912 cannot be ascertained at the time of writing, but according to the best information attainable will largely exceed that of 1,189,000,000 feet for 1911, indeed for the ten months to the end of October the figures ran to about 1,244,000,000 feet. Timber lands are steadily increasing in value. Good results are expected in this industry from the opening of the Panama Canal.

In mining the high price of copper has stimulated production, the figures of the Boundary District, which is the largest source of supply of that metal in the province, being:

1911—22,327,359 lbs.....	\$2,764,127
1912—33,600,000 lbs. (estimated).....	\$5,600,000

We do not now hear of the "wildcatting" that prevailed in earlier years, mining being regarded as a business and not as a mere pretext for stock flotations. The production of coal this year is estimated at 3,205,159 long tons as compared with 2,297,718 tons in 1911. Of the increase 856,660 tons are ascribable to the Crow's Nest Pass district. It is unfortunate, however, that there has again been a strike among the operatives—this time on Vancouver Island—commencing in September and in force at the date of writing. Only one company has been affected and they are now operating on a reduced scale by the employment of imported miners. In the Crow's Nest district the effects of the resumption following the strike, to which allusion was made last year, were not fully felt until about July or August. When their customers found in 1911 that they were unable to secure the requisite supplies they were obliged to apply to coal owners elsewhere and were able to have their requirements filled

only by entering into contracts covering twelve months. It was therefore impossible until the expiry of the year to return to their old friends in the Kootenays.

Building has been, generally speaking, active throughout the province, particularly so in the larger cities. The following are the combined figures of the building permits of Vancouver and Victoria for the years 1905-1912 inclusive; each, as will be noted, has been a banner year:

1905.....	\$ 3,207,250
1906.....	5,007,710
1907.....	7,112,994
1908.....	7,305,133
1909.....	8,977,195
1910.....	15,523,410
1911.....	21,912,957
1912.....	27,457,202

For the year ending 30th June last the British Columbia Electric Railway Company carried 62,154,166 passengers, as compared with 46,541,448 during the corresponding period in 1910 and 1911.

The gold produced in the Yukon has exceeded the figures of last year by about \$800,000, the total production for 1912 being estimated at \$5,000,000 according to the latest figures available. The mining is now almost entirely in the hands of the larger companies operating by dredging or hydraulic methods, and unless new placer ground is discovered, we are likely to see little more of the individual miner who is steadily disappearing. It may be noted that the dredging season has been lengthened by improved methods. Last year it closed in December and an attempt is to be made this year to operate throughout the winter. Nothing of any importance has been effected in the way of gold quartz mining. In copper in the district about White Horse, some 400 miles south of Dawson, the results have been most encouraging. Some 20,000 tons have been extracted and shipped, the approximate value

at the mine amounting to \$185,000. At the present price of copper and with the lessened freight charges, according to the schedule now in existence, there seems to be no question but that this product can be handled at a satisfactory profit, and the ore bodies are quite extensive. Business conditions in the territory have been steady and the freight and passenger traffic has been about the same as last year with a slight advantage in favour of 1912.

UNITED STATES

I.

The Presidential election has come and gone with the slightest possible apparent effect upon trade and industry. Neither the election itself nor its results, sweeping as they were, have seriously changed the optimistic undertone previously characterizing trade sentiment, the situation in this respect presenting one of the most notable economic phenomena of recent times. In short, freedom from political disturbance, an abundant harvest and a heavy demand for home consumption have combined to produce unusual activity in trade and industrial circles. Trade in staple lines is active, with calls for immediate shipment a feature, while operations for forward delivery are enlarging. The prospects for 1913 appear to be quite encouraging, although the coming revision of the tariff is causing a little perplexity in some quarters.

Retail trade continues to be excellent. Wage earners are well employed at relatively high wages and there is an actual dearth of labour in some of the great manufacturing centres of the west, so that it is difficult for manufacturers to operate their plants at capacity in order to fill the great volume of orders on their books. The iron and steel industry is exceptionally active and some of the great mills have booked sufficient orders to insure good business for six months to come. Although buying by country merchants has not been heavy for weeks, the



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shortage of merchandise has in some cases made it necessary to secure virtually new stocks throughout. Merchants are not borrowing excessively, although inquiry from mercantile sources is growing and the chances are that it will continue to increase for some time to come.

The more important factors governing the present outlook are increased monthly earnings by railroads; weekly gains in bank clearings in many of the large cities averaging 20 or 30 per cent. over those of last year; enormous purchases of equipment by the railroads as indicated by orders given out in October for nearly 350,000 cars and 575,000 tons of rails; record-breaking east-bound shipments of grain from Chicago, and an unprecedented movement of grain to primary points; the heaviest demand upon railroad facilities witnessed in five years, and the largest business on the books of the steel-making companies since 1907. With the country doing such an active business it is natural for the borrowing demand to broaden and for both call and time loan rates to advance moderately. Prevailing rates for such loans are not, however, abnormally high, judged by the quotations which have obtained before at this season of the year, and there is no reason to believe that undue stringency will develop here unless the foreign markets should become very greatly disturbed, and cause interest rates abroad to advance in a marked degree.

With the incoming of the new administration more will be heard of tariff revision and other great questions before Congress. There is no likelihood that currency legislation will be taken up immediately, or at least until Congress has considered the special bills which will be introduced as soon as the House re-convenes.

The condensed trade statements for the eleven months of 1912 ending 30th November and for the corresponding periods in 1911 and 1910 are as follows:

	1912	1911	1910
Imports	\$1,664,270,000	\$1,391,684,000	\$1,426,194,000
Exports	2,148,617,000	1,867,619,000	1,637,256,000
Excess of Exports..	\$484,347,000	\$475,935,000	\$211,062,000

For the ten months ending 31st October the record of failures shows an increase of 11 per cent. in 1912 as compared with 1911 and 20 per cent. as compared with 1910, but a decrease of 3 per cent. from 1908, following the panic year 1907. Liabilities are 8 per cent. larger than in 1911, and are 40 per cent. greater than in 1909, but decreased 39 per cent. from 1908.

II.

We have branches in the chief cities of the States of Washington, Oregon and California—in all of which there has been a revival in lumber, this being specially marked in the States of Washington and Oregon. The industry has been in a more or less stagnant condition in Washington since 1907, but now all the mills are running full time and the demand for cargo and rail shipments is unsurpassed. The quantity produced in this State during the year cannot be ascertained, but will, it is estimated, exceed that of 1911, the figures for which were 52,000,000 feet, including shingles. For logs and lumber the highest price on record in the State of Washington has been reached this year — \$2 to \$4 per 1000 feet b. m. higher than in 1911. The crop situation in Washington has been thoroughly satisfactory, the value of the product of all kinds, including grain, roots, etc., amounting to \$74,000,000 as against \$63,000,000 in 1911. The yield of hops has been larger but the gain has been offset by the lower prices obtained. Fruit has been an exceptionally heavy crop, but through lack of canning facilities the softer varieties have been largely wasted. Apple growers have done well throughout the State. Fruit lands have somewhat declined in value from former figures. The salmon pack has been a fair average for an off year in sockeyes, and the

prices of the cheaper grades have dropped, as mentioned in the remarks on the subject of salmon fishing in British Columbia. Shipping has been scarce and freights high—this condition prevailing all along the coast.

The exports from the State of Washington for the first eight months have exceeded those for the corresponding period of 1911 by 50%, and imports are 25% greater. The acreage under cultivation is about 6% larger than that of last year.

In Oregon there has been a steady increase in dry farming, which is gradually replacing cattle ranching, as the ranges are now being cut up for agricultural purposes. The wheat crop of the three States, Washington, Idaho and Oregon, amounted to 63,000,000 bushels, a reduction of 1,000,000 bushels as compared with 1911—prices being but little changed. As mentioned before, there is a difficulty in securing charters for exporting the crop. The demand for flour has not been equal to that of last year, as a result of the high freight charges and the policy of Oriental buyers in holding off for lower figures; competition from Australia has also affected this market. In barley and oats the product of this year was 32,000,000 bushels as against 37,000,000 bushels in 1911, and prices for both products have declined, oats last year bringing from \$30 to \$32 per ton as compared with \$25 this year, and barley \$33 as compared with \$26. The production of hops amounts to 110,000 bales—a gain of 10,000 bales over 1911, but the prices have, as indicated before, been lower. The pack of fish for 1912 was 70% of that of last year; the conditions of this industry have been described elsewhere. As a fruit producer Oregon is keeping to the front, the acreage planted being approximately the same as in 1911.

In California fruit packing continues to form an important industry. The figures for this year are not yet available, but should exceed 4,200,000 cases, to which

may be added 60,000 tons of raisins and 200,000 tons of other dried fruits. The weather conditions were not quite favourable in the early part of the season, but in spite of this the crop has exceeded expectations, packers are prosperous and good prices have been secured. The production of citrus fruits still continues to increase, a larger acreage being planted yearly. The wine production has fallen somewhat below the average of 45,000,000 gallons, owing mainly to crop conditions. Wheat production is steadily lessening in California, 200,000 tons having been harvested this year as compared with 350,000 tons in 1911, but the quantity of barley raised has been steadily though slowly increasing. The amount of petroleum produced will, it is expected, equal the very large quantity of last year, about 80 million barrels, the demand is steadily growing and its use as a fuel increases year by year. An improvement is evidenced in the lumber industry, in respect to both domestic and foreign shipments—those to Australia being the largest on record. The deposits in the banks at San Francisco have reached the surprisingly large figures of \$396,000,000. The annual value of the produce of the soil in this State, including oil and minerals, exceeds \$500,000,000.

In connection with the impending opening of the Panama Canal, active preparations are in progress for an exposition to be held at San Francisco in which twenty-one foreign countries have intimated their intention of participating, while California, through State and private contributions, will give towards the project over \$12,000,000.

In the Hawaiian Islands, which may be regarded as tributary to this State, about 600,000 tons of sugar will be produced this year, or about 50,000 tons more than the amount reported last year; the average prices for the two years are about the same. Next year a considerable reduction in the crop is expected, but the planters are in excellent shape financially, and it is believed that the lower out-

put will be more than offset by improved methods and the lessening of the cost of production.

MEXICO

Notwithstanding the disturbed political conditions which have continued to exist in Mexico during the past year, with their attendant interruptions to traffic and general business, the country's foreign trade returns reflect a quite remarkable activity. In last year's report attention was called to the fact that the exports for the period then under review had exceeded the previous high-water mark of 1905-6 by \$23,000,000, and we now have to record that for the fiscal year ending in June last the figures reached \$298,000,000 (Mexican currency) a still further, though trifling advance, of \$4,000,000. The imports, which are given as \$182,660,000 for the year, show a decrease of \$23,000,000 (or 11.28%) and are \$50,000,000 less than the record figures of 1906-7. This, however, is a natural condition under the circumstances, especially as the decline is largely confined to articles of luxury and wearing apparel.

In considering the export figures it must be borne in mind that while they are highly satisfactory under existing conditions the favourable showing is due largely to the phenomenal rise during the year in the prices of metals which form the country's chief item of export, amounting last year to \$186,000,000 out of a total of \$298,000,000, or 62.41% of the whole. For example it is estimated that the production of silver and copper, which are the metals most largely exported (apart from gold, the exports of which were last year valued at \$50,000,000) has declined since January last by about 10% and 20% respectively, while the relative prices have advanced during the same period by 20% and 40%. Lead, too, which comes next on the list, has increased in price during the year from £15 to £21 per ton, while the reduction in output is about 20%. In all instances therefore these

figures leave a substantial improvement in the value of the output in the face of a curtailed production.

The advances in the price of copper, lead and zinc are natural reflections of increased activity in manufacturing, etc., but with silver the situation is different, and since Mexico is the largest silver producing country in the world (contributing in the year 1911—87,000,000 ounces out of the reported total world production of 251,000,000 ounces—a trifle over 34%), she has a vital interest in the always fickle market for this commodity, and some attention is due to the factors which have been at work in bringing about the recent phenomenal rise in price. According to the London bullion reports the value of the combined stocks of bar silver in London, Shanghai and Bombay at the present time amounts to about £8,000,000 as against £6,500,000 at the beginning of March last, showing an increase of 20%. In the face of this the spot quotation has gradually advanced from 54 $\frac{5}{8}$ cents (U.S. cy.) per ounce at the beginning of January to as high as 64 $\frac{1}{8}$ cents in October—a rise of 20% as already mentioned—and the highest point touched since 1907, when for a very short period it went to 70 cents. The London Syndicate, which works in combination with the Indian Group, commenced accumulating the present stock two or three years ago at between 24 and 25 pence per ounce, which with interest and carrying charges now represents a cost of about 28 pence, and it is estimated that with the ascending prices which have ruled for subsequent purchases the present holdings would have to be sold at the equivalent of 60 cents or better to avoid loss. At the outset of these operations the probable reform of the Chinese currency was counted upon, but this of course has not taken place. Latterly the chief supporting influences have been the anticipated requirements of India and the effects of the prospective Chinese loan. The Indian Government, however, has been buying in small amounts

from private sources, while the Chinese loan has not been obtained in the expected quarter. The result of treating with others than the "Six Power Group" is that China cannot reasonably now expect that the Powers will agree to her raising import duties from 5% to 12 $\frac{1}{2}$ %, a proposition which would probably have been favourably entertained had she been willing to effect her loan through their intermediary. China counted on the enhanced revenue from these duties to meet the strain on her finances, but being for the present estranged from the "Six Power Group," and consequently unable to obtain permission to alter the treaty terms of taxation, the prospect of her being in a position to buy silver on a large scale in the near future is not promising. It is therefore a question how long the prices now ruling for this metal can be maintained, and figuring on the present annual production of about 70,000,000 ounces in Mexico a drop to the price level of three years ago would mean a difference of about 15,000,000 pesos to the country.

Last year brief mention was made of the rapidly developing oil industry in Mexico, and this has now begun to assume proportions of such magnitude and is destined to be so far reaching in its effects on the world's commerce generally that it is worthy of closer attention.

The total investment in this industry is now upwards of \$80,000,000 gold, and its development has practically all taken place within the last five or six years. Broadly speaking the petroliferous zone has been found to extend for 250 miles along the Gulf Coast and 50 miles inland (12,500 square miles) with the port of Tampico near the centre. The present production (though many wells have been closed after testing, pending the development of transportation facilities) is conservatively stated at 214,000 bbls., of 42 gallons each, per diem. Not 10 per cent. of the wells drilled have failed to show oil and the average yield per well is 2,000 bbls. per day, as against

42.56 bbls. in California, which is the largest of the American oil fields. It is true that the average yield is greatly increased by the production of a few very large wells, but these latter are situated many miles apart with innumerable "strikes" between, so that this average will probably be maintained as development progresses.

The world's total production in 1911 was 345,000,000 bbls. of 42 gallons, or 53,000,000 tons. The present potential production in Mexico is 78,110,000 bbls., and this from not more than a hundred wells. According to the latest figures to hand, Mexico has jumped from a production of 1.02% of the world's total in 1910 to a potential production during the present year equal to over 22½% of the total for 1911. This is second only to that of the United States and 8,000,000 bbls. more than Russia produced in 1910. In accomplishing this less than 1% of the proven oil area has been prospected, and the country has only to increase its production three-fold to become the largest producer in the world, a position which, with the same success as has been experienced in the past two years, she may very speedily attain and even then not have tapped one-twentieth of her petroliferous zone.

The chief difficulty in the way of this development lies in the lack of transportation facilities. The total number of oil tankers registered at Lloyds is below three hundred, whereas allowing for the present ratio of increase it is estimated that it will soon take three times that number to transport the oil supply of the Gulf Coast alone. In anticipation of this most of the shipyards in Europe are congested with tankers under construction.

Apart from its influence on manufacturing and land transportation, the chief significance of the development to which we have here referred lies in the simultaneous appearance of the Diesel internal combustion engine for crude oil, now proven beyond question to be the most economical motor known for marine service. This motor

has increased engine efficiency by delivering to the ship's screw twice the power for each unit of heat that was possible before its invention, and the apparently enormous quantities of oil which have been discovered to exist in Mexico make available the class of fuel required for its operation. These two factors coming immediately in advance of the opening of the Panama Canal cannot but have a most important effect upon the world's shipping and commerce.

The advantages of oil fuel to a navy are:—

1. The radius of action is more than doubled.
2. Vessels are enabled to attain maximum speed almost immediately.
3. The great saving of space formerly required for bunkers and boilers with the consequent reduction of dead weight.
4. Ability to replenish fuel at sea from oil transports.
5. The abolition of stoking, owing to the oil being fed mechanically.

When distribution and storage systems are perfected and the supply of oil is definitely assured every first class power will use this fuel in its navy. This alone will create an enormous market and the commodity will be in the unique position of steadying in price as production increases and the reserve supply becomes larger, so that the consumer may be justified in altering his equipment for the use of oil in place of coal.

GREAT BRITAIN

There has been no cessation during the year in the steady and remarkable advance which has been taking place in the trade of Great Britain. In spite of strikes, political unrest at home and abroad, and finally a state of war in the near east, the Board of Trade returns for the ten months ending October last show larger figures than ever before recorded in the history of this country. Further,

the outlook continues favourable, for the unfavourable crop returns at home have been offset by splendid harvests abroad, and the purchasing powers of this country's principal customers have been increased, with the exception of China, which is passing through a period of uncertain trade owing to political and financial troubles, as is evidenced by the decline in our exports of cotton goods, our main index of China's purchasing capacity.

This is the third successive year of expanding trade as will be seen from the figures quoted below:

10 months ending	Imports	Exports
October, 1910.....	£545,335,935	£442,709,135
" 1911.....	550,249,001	460,930,911
" 1912.....	599,947,503	495,581,239

The increase in the total value of our trade has been due in a measure to the advance which has taken place in the price of commodities. The index number published by the "Economist," though not at the highest point of the year, is still much higher than at any period during 1910 and 1911, as will be seen by the following comparison which is based on the average for the years 1901-5:

Average for 1901-5.....	2,200
" 1910.....	2,418
" 1911.....	2,550
1st quarter of 1912.....	2,690
2nd " 1912.....	2,712
3rd " 1912.....	2,728
End of October 1912.....	2,722

The burden of caring for this enormous increase of our trade as well as of financing the rapidly expanding harvests of those countries which look to this centre for assistance, is a heavy one and grows heavier each year. As a result the figures of the leading joint stock banks in London exhibit increases in every direction. The increased total of the acceptances is the evidence, to a certain extent, of the enormous advance in the volume and value of our imports:

	Deposits	Acceptances, etc.
October, 1905.....	£374,647,984	£21,631,309
" 1909.....	449,888,061	27,194,234
" 1910.....	477,788,937	28,871,388
" 1911.....	504,483,204	29,630,017
" 1912.....	525,750,595	38,179,184
	Cash	Money at call
October, 1905.....	£58,296,834	£51,462,659
" 1909.....	69,315,079	63,959,850
" 1910.....	72,724,714	60,104,560
" 1911.....	77,311,294	64,653,215
" 1912.....	80,292,339	70,650,871

A portion of the increase in deposits is doubtless due to the absorption of certain country banks by London banks.

The figures of the Bankers' Clearing House are an additional indication of the increase in the volume of business transacted:

1910.....	£14,658,863,000
1911.....	14,613,877,000
1912 (11 months).....	14,438,544,000

With so much activity and expansion in both the volume and the value of the business of the country it is not surprising that money has been in demand. Owing to the dull period during July and August and to the nervousness created by the war and rumours of complications which have caused bankers to keep themselves strong and to carry a larger amount of short money on hand, the average rate for short money during the past five months has not been so high as during the first half of the year, yet the margin of profit has been reasonably in favour of the banks. The discounting houses during the past few months have benefited enormously.

The following table of average rates may be of interest:

	Bank Rate	3 mos. Bill Rate	Market Rate for Short Money	Bankers' Deposit Rate
1909.....	£3 2 0	£2 5 7	£2 3 0	£1 12 0
1910.....	3 14 5	3 3 7	2 14 9	2 4 4
1911.....	3 9 4	2 18 5	2 6 8	1 19 4
1912 (6 months ending June)...	3 9 1	3 5 5	3 0 7	1 19 1
1912 (5 months ending Nov.)..	3 18 0	3 16 3	2 14 8	2 8 0

The movement of gold during the past ten months has apparently resulted in a gain to the reserves of the country at large, but the Bank of England is little if any stronger than last year. Imports of gold have been lower than for some years past owing to the absence of exports from the United States, in fact that country has taken gold on balance this year and apparently is in a position, due in a measure to the flow of capital to Canada from this country, to take more whenever conditions here are favourable. It is interesting here to note that in the articles which appear from time to time on the subject of the gold held by the various countries, seldom is any reference made to the relatively large amount of gold which is held in Canada. A remarkable feature in the movement of gold is the increasing amount which is annually imported and absorbed by India. If this continues to increase in volume it will become a serious factor in the not very distant future.

The following figures show the total gold imports and exports for some years past:

	Imports	Exports
1908.....	£46,145,314	£49,969,099
1909.....	54,691,829	47,249,536
1910.....	57,321,767	50,898,445
1911.....	48,693,753	40,100,540
1912 (10 months)...	41,884,763	37,222,996

There have been very considerable fluctuations in the prices of securities during the past eleven months and Consols have established a new low record during the period. The prices of all stocks suffered in October, but

with the prospects of an early settlement of the Balkan war substantial recoveries have taken place, especially in all gilt-edged securities, assisted, we understand, by purchases on account of the National Insurance Fund. Canadian provincial and municipal issues have been dull and heavy, however, owing to the knowledge that large offerings of this class of security are likely to be made in the near future.

The following figures show the movement which has taken place during the past few years in the stock exchange value of 387 representative stocks as published by the Bankers Magazine:—

December 1909.....	£3,711,000,000
December 1910.....	3,635,000,000
December 1911.....	3,611,000,000
May 1912.....	3,614,000,000
October 1912.....	3,535,000,000
November 1912.....	3,557,000,000

Considering the record breaking figures of 1910 and 1911, the volume of new capital issues has been well maintained for the year, despite the coal strike and the check administered by the international political situation during the past two months. The total issues for 1910 amounted to £247,000,000 and for 1911 to £196,000,000, whereas for the first eleven months of 1912 they amounted to £200,000,000; and the figures undoubtedly would have been much larger had it not been for the trouble in the near east, many loans having been held back owing to unfavourable conditions, the difficulty of getting them underwritten at a reasonable price, and the congested condition of the market. This is evident by the fact that whereas during the first half of 1912 new issues amounted to over £110,000,000, during the next five months the total fell to £90,000,000, and this includes the Canadian Pacific Railway issue of new shares, amounting

to £21,375,000, which was not dependent on market conditions here.

The following statement shows the destination of the capital offered for subscription in the United Kingdom during the first eleven months of the years stated:

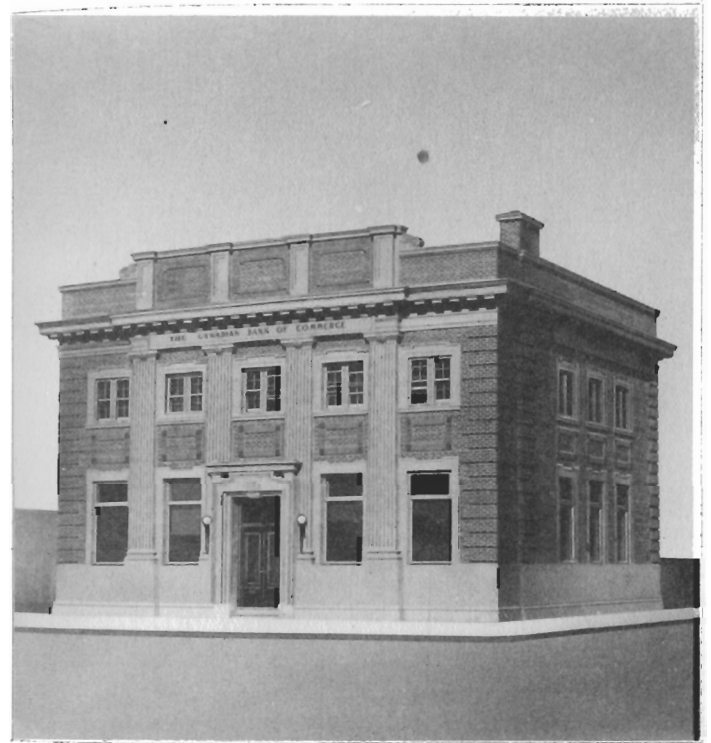
	1912	1911	1910
United Kingdom....	£48,181,922	£30,229,689	£41,089,291
India and Ceylon....	3,810,320	5,244,165	14,675,503
Canada.....	44,977,500	28,426,400	34,656,128
British Possessions..	9,154,428	18,323,043	31,920,488
Foreign Countries...	94,076,028	94,138,417	104,660,998
	<hr/>	<hr/>	<hr/>
	£200,200,198	£176,361,714	£227,002,408

That Canada has continued to enjoy first place in the favour of the British investor is evident, her share of the total in 1912 being the largest of any year, and ranking ahead of that of any other country, although the United States, as usual, is a close competitor.

Owing to the fact that a considerable proportion of the large issues during the year has been left on the hands of the underwriters, the market is full of undigested securities, and with increasing applications for fresh capital from all the producing countries of the world, the competition each year grows keener, with the result that the price of capital is rising all round. This is borne out, not only by the fall in the prices of existing quoted securities, but also by the terms of recent issues of full trustee securities, which yield the investor slightly over 4% per annum.

The coming year does not hold out much prospect of any improvement taking place from the point of view of the borrower, for even if European politics are settled in a satisfactory manner the demand for new capital by the newly risen states in the Balkans will add to the burden under which the money market is labouring at the present time. Further, Canadian provincial governments and municipalities are responsible for over £7,000,000 of short

loans or Treasury Bills afloat in this market, all of which will have to be funded in the next twelve or eighteen months. The outlook accordingly, apart from political conditions at home and abroad, is not a happy one for the borrower, for with active trade and prices of commodities maintaining a high level, money is in demand from all parts of the world, and there appears every reason to believe that securities will have to be issued at much lower prices in order to attract the investor. One favourable feature, however, which should help to maintain the prices of gilt-edged securities, is the fact that the enormous sum to be collected on account of the National Insurance Fund will have to be invested. The annual collection, it is estimated, will amount to about £20,000,000, a large portion of which will be invested in trustee securities, and in this connection it is to be hoped that the securities of the Canadian provinces will be included in the list of those approved by the Insurance Commissioners.



TABER, ALTA.

