

OPENING OF NEW BRANCHES.

We have had the subject of the opening of new branches and the improvement of old ones very seriously before us during the past year. Our valued colleague, Mr. E. A. Hoare, paid a long visit to Canada in the autumn, and, amongst other most valuable work which he did for the bank he went thoroughly into the premises question with Mr. Stikeman, our general manager, and the result is that we have bought new sites for banks in Winnipeg and Ottawa. It is impossible to do a big business nowadays or to attract new business, unless you are up to date, and when our competitors occupy fine business premises it is a mistake for us to keep in the background. We intend, therefore, at Winnipeg to have an up-to-date bank as soon as possible, and we have made other arrangements there by which we hope, under the new management of Mr. McHaffie, to see a good increase in our profits from that important part of the Dominion. At Ottawa our old bank was not in the best part of the city for business purposes and we have now secured a superior site. We hope that under the management of Mr. Harvey it will not be long before we shall see results showing that we have taken a step in the right direction. At Victoria, we have enlarged and improved the bank building, and at Toronto also we have made considerable alterations, by which we should get an improved rental for floors which we do not require for ourselves. We have also opened a new branch at Toronto Junction, and we shall shortly have an uptown branch in St. Catherine Street, Montreal, thus following the example of other banks in that city, who have for some time established suburban branches in various directions. Besides these places, we have opened branches at Yorkton and Battleford, in the Northwest, both of which towns lie to the north-west of Brandon. I have also to inform you that during the last six months we have acquired the business of a small private bank at Fenelon Falls, in Ontario, which we hope will turn out an advantageous purchase, and we have closed a small branch which we had at Atlin. It is unnecessary for me to delay you much longer with my remarks, because Mr. Hoare, who will second the motion for the adoption of the report, will add a few words about his visit to Canada, which I am sure will interest you very much.

FEELING OF CONFIDENCE IN THE FUTURE.

I will only add that the year 1902 was, on the whole, a satisfactory one in Canadian financial circles, and close with financial institutions in excellent shape, and with marked feeling of confidence in the future. Canada's development is something for Canadians to be proud of and signalizes the fact that they possess enterprise, business ability, thrift, and, in fact, all those qualities which create commercial greatness in a country. The five and a quarter millions of population have during the last few years increased their foreign trade no less than 65 per cent.; they have increased the deposits in chartered banks over 84 per cent., and their deposits in the Government Savings Bank over 20 per cent. Their discounts with banks have increased 28 per cent., their bank note circulation over 58 per cent., and the circulation of Government notes over 46 per cent. I think you will agree with me that these great increases by so small a population entitle them to universal admiration. I will now formally move that the report and balance sheet be received and adopted.

Mr. E. A. Hoare: I beg to second the motion for the adoption of the report and the balance sheet. When the chairman told me that he should call upon me to take part in to-day's proceedings, I was reluctant to respond to his invitation, for this reason, that when I was in the chair last year, influenced solely by what I believed to be my duty to the shareholders, I used words which caused pain to some of our friends in Canada, and the knowledge of this has since been a cause of much regret to me, so much so, that I have felt disheartened in addressing you to-day, and should have preferred to be a listener rather than a speaker; but as it is the wish of my colleagues that I should say a few words respecting my visit to Canada last autumn, I feel that I cannot refuse to do so. In the first place, I may say that I went across with the object of visiting a relative and enjoying a holiday, and without any intention of devoting myself to business matters; but when I arrived in Canada and found every man exerting himself to the utmost, I felt that I too must endeavour to make some contribution, however humble, to the great work that is now being carried on in the Dominion; and, therefore, making Montreal my headquarters, I visited as many of our branches as the time at my disposal would permit. I do not propose to weary you with a detailed account of my journeys, but I may say

that I went as far as Halifax, in the east, as far as Brandon in the west, and then visited our principal branches in Ontario, returning after each journey to Montreal, and there comparing notes with our general manager. It has been a great advantage to me to revisit our branches, to renew old friendships with some of our branch managers, and to make the acquaintance of others whom I had not met before, and I earnestly hope that in the future we may see good results from some of the changes which were introduced with the cordial approval of the court and of the general manager during my visit. The chairman has already explained to you all the important features of the balance sheet, and particularly the increase in the premises account, and the reasons which have made that increase absolutely necessary. I do not shrink from the responsibility of having recommended the court to incur a heavy additional expense on this account. Competition is keen, and unless we provide our managers with suitable and well-equipped buildings in the very best situations, we cannot hope to secure our fair share of the commercial business of the country. Having spoken thus far respecting our private affairs, I may perhaps succeed in interesting you if I say a few words on those subjects which I found to be of principal interest in Canada.

IMMIGRATION.

First, and before all, the topic of most absorbing interest was immigration and the settlement of Manitoba and the Northwest. In all parts of Canada, in the east, as well as in the west, in the hotels and on the cars, the conversation constantly turned to this subject, for it is fully recognized that the settlement of this vast country is a most important factor at the present time in the prosperity of the country. The harvest of 1902 exceeded 100,000,000 bushels of grain, of which 60,000,000 bushels were wheat, and this bountiful harvest was garnered in the best possible condition, and has realized fair prices. The result has been that the sales of land have shown a remarkable increase, the Canadian Pacific Railroad having sold in 1902, 2,411,000 acres, realizing 8,123,000 dollars, compared with sales of 830,000 acres, realizing 2,642,000 dollars in 1901; the Canada North-West Land Company in 1902 sold 515,000 acres, realizing 2,519,000 dollars, thus exceeding the sales of 1901 by more than four times. The immigrants, generally speaking, are of the best class, many having come across the border from the United States, and, bringing capital with them, intend to make their homes on the lands which they have purchased, so that in one or two years at the most, when these new lands come under cultivation, it is reasonable to think that the yield of grain will largely exceed that of last year. Winnipeg appears to be the natural base for this vast country, and the inhabitants of that city fix their aspirations high when they speak of its future. I am not going to endorse, or even to repeat, all the predictions which I heard for the future of their city, but I may soberly say that in my opinion Winnipeg is destined to play a most important part in the commercial history of the Dominion, and it is for that reason that we have purchased a most valuable plot of ground in the heart of the city, and are erecting thereon a building worthy of the bank. But we must not be too sanguine, for this great country of marvellous fertility holds no charter from Providence that will prevent the recurrence of bad seasons and injured crops; and then the buoyant spirit which exists to-day, after two years of the finest harvests ever known, will give place perhaps even to despondency. Since my return home the question has been put to me by several friends: Is not this a repetition of the excitement in the early eighties? And to this I feel able to reply in the negative. Twenty years ago the movement was one of simple speculation without settlement. Now, it appears to me to be one of investment, combined with occupation of the land; and I feel sure that the country is now far better prepared to resist the depressing effects of a bad harvest than it was at the close of the last century.

TRANSPORTATION.

The next subject I think of most general interest, especially in the West, was transportation. With such an abundant harvest it was, of course, impossible for the existing railroads to make the necessary arrangements for its conveyance to market, and consequently there was a good deal of criticism, for, prices being reasonably good, producers were unanimous in the desire to send forward their crops without delay. It appeared to me that there was much exaggeration in these complaints, for the great railway which traverses this country was evidently doing its utmost to meet the wants of the community. As an illustration of this I will read a statement which appear-