THE CANADIAN BANK OF COMMERCE

REPORT OF THE PROCEEDINGS OF THE ANNUAL MEETING OF SHAREHOLDERS

TUESDAY, 9TH JANUARY, 1906

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

About 120 shareholders and others were present.

The President, Hon. Geo. A. Cox, having taken the chair, Mr. F. G. Jemmett was appointed to act as Secretary and Messrs. E. Cronyn and W. Murray Alexander were appointed scrutineers.

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

REPORT.

The Directors beg to present to the Shareholders the thirty-ninth Annual Report, covering the year ending 30th November, 1905, together with the usual Statement of Assets and Liabilities:

The balance at credit of Profit and Loss Account brought forward from last year was		$28,726 39
Net profits for the year ending 30th November, after providing for all bad and doubtful debts, amounted to		1,376,167 63
Premium on New Stock.		564,996 00
		$1,969,890 02
Which has been appropriated as follows:		
Dividends Nos. 76 and 77, at Seven per cent. per annum		$666,784 27
Written off Bank Premises		219,233 99
Transferred to Pension fund (annual contribution)		25,000 00
Transferred to Rest Account		1,000,000 00
Balance carried forward		58,871 76
		$1,969,890 02

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

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

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

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

As you are aware, the provisions of the Bank Act formerly required that the number of a Bank's Directors should not be less than five and not more than ten. By an amendment passed in the last session of Parliament, the limit set to the maximum number has been removed, and you are now free to appoint any number of directors, not less than five, which may seem to you advisable. In view of the increase in the volume of the Bank's business, of the wide extent over which it is now spread, and of the diversity of interests with which we are called upon to deal, your Directors feel that some increase in their number is desirable, and an amendment to the By-laws will be submitted for your approval, fixing the number at twelve.

The various branches, agencies, and departments of the Bank have been managed during the year.

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

GEORGE A. COX,
President.

Toronto, 9th January, 1906.

GENERAL STATEMENT.

30th November, 1905.

Liabilities.		
Notes of the Bank in circulation		$3,738,670 68
Deposits not bearing interest	$19,425,688 84	
Deposits bearing interest, including interest accrued to date	54,947,802 12	
		74,373,490 96
Balances due to other Banks in Canada		128,832 92
Balances due to other banks in foreign countries		225,477 32
Dividends unpaid		429 37
Dividend No. 77, payable 1st December		349,824 61
Capital paid up	$10,000,000 00	
Rest	4,500,000 00	
Balance of Profit and Loss Account carried forward	58,871 76	
		14,558,871 76
		$93,375,597 62

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

B. E. WALKER,
General Manager.

In moving the adoption of the report, the President said:

President's Address.

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

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

We are spending more money on bank premises than ever before. As we said a year ago, we believe that in times of unusual prosperity we should do all that we reasonably can to provide the Bank with handsome and permanent establishments; such a course not only aids very much in building up our business, but as one of the great fixed charges in banking is rent, a policy tending towards the ownership of as many as possible of our branch buildings must in the long run add greatly to our net earnings. The large sum thus expended and written off has not prevented us, from adding to the premium on new stock, amounting to $564,996, a sufficient sum to make an increase to the Rest account of $1,000,000, thus bringing the total of the Rest up to $4,500,000.

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

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

The General Manager then addressed the meeting, and in doing so spoke as follows:

General Manager's Address.

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

It may be well before dealing with details, to consider the main facts which seem to influence our immediate future. So far as our interests are in common with those of the rest of the world, the end of the Russo-Japanese war seems the most important event of the year. The cost of money in the markets of Europe, owing to recent wars, has been abnormally high for many years. If, after the final loans caused by this last war are placed, we are to have a long period of peace, then the value of money in Europe should gradually decline, and this would have a most favorable effect not only in the ease with which money could be got for Canadian enterprises, but in the cost of the fixed charges upon the enterprises arising from such borrowings. Of course the present terribly disordered state of Russia must pass away before Paris and other continental money markets are restored to a normal condition. But in any event, unless China intends to resent her bad treatment by the Western nations, it seems as if we may reasonably expect peace and great industrial development in that part of Asia which looks across the ocean to our own Provinces and to those States in the American Union which have their shores on the Pacific Ocean. If so, we are reasonably certain that this Bank will share largely in the trade which must come to both Canada and the United States. While the purchasing power of each individual of these Japanese and Chinese peoples may be very small—and that part of it which represents what is called foreign trade is certainly very trifling—still the aggregate, owing to the vast population, will be very large as soon as they are well enough off to buy such great staples as wheat, flour, timber, railroad supplies, etc., in any proportion to their desire to obtain these commodities.

Other important facts, but of more local and direct concern to Canada, are our good crops, the enlarged scale of our railroad building, the satisfactory inflow of immigration, the development of steel and iron making, and the tremendously enhanced interest shown regarding Canada in both Great Britain and the United States, particularly exemplified by acute discussions of tariff preference and of reciprocity.

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

The Maritime Provinces.

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

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

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

Ontario.

To the people of Ontario, as a whole, the year has been one of very general prosperity. The industries of the Province, whether on the farm or in the town, the geographical situation, and the conditions of soil and climate, are all so varied that we can hardly have years in which there are no localities which differ in prosperity from the general average. What is clear, however, is that while we have not had a year so good for the farmers as 1903, we have had a very much better year than 1904. Crops of wheat, oats, barley, and other grains have varied more than usual in yield in different parts of the Province, and in some grains prices have not been as good as last year, but the total result is satisfactory These crops, except to the extent that they affect the value of cattle fed for the market, are no longer of prime importance. The crop of hay has been heavy in some parts, not so in others, but a good crop as a whole, while pasturage has been abundant almost everywhere. Roots, as a whole, have been unsatisfactory, but this does not apply to sugar beets, which are being grown more extensively each year in several parts of Ontario. Fruit crops have been variable, but shipments of apples from Montreal are larger than in any year except 1903. The total for 1905 from that port is 539,000 barrels, against 348,000 for 1904, and 732,000 for 1903. When we turn to the great farming interest, that of the dairy, the figures become very interesting. Taking, as we should, the results from cheese and butter together, the figures for the past year are almost the largest in the history of shipments from Montreal. The quantity of cheese shipped is about 10 per cent. less than in 1903, and not appreciably more than in 1897, 1902, and 1904, but the average price is so high that 1905 remains the largest in money value except 1903, when both quantity and average price were the largest ever known. It is in the more lately established export of butter that pronounced gain has been made. The total shipments were 573,449 packages, valued at $7,400,000. The price is better than last year, but not as good as for several years previous to 1904. The only year which surpasses 1905 in results is 1902, when a somewhat smaller quantity brought a larger sum of money, owing to a much higher price. Taking the two articles together, the totals for the last four years, three of which exceed all other years, are as follows:

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

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

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

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

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

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

In Ontario and Quebec railroad marks a new era in transportation in this part of Canada. The Canadian shipping on the lakes is increasing in volume most satisfactorily, while at Montreal there were increases in the number of ocean arrivals and departures, in freight and passenger traffic, in the revenue of the port, and in local canal traffic. Shipbuilding in Canada is now very active, terminal facilities at Montreal and Quebec are being gradually improved, and in almost every direction progress is evident.

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

North-West Provinces.

At the moment, Canada, to many people in the United States and Europe, means our three North-West Provinces, and we who live in the East may as well become used to the fact. Having regard to present population, few places are more talked about than Winnipeg. We waited long to come into possession of this country, guarded as it was so carefully from the settler, and in the short time during which we have controlled its destiny, we have struggled hard with the two great problems of settlement—transportation and immigration. It now looks as if we are to have our reward. Many claims have been made for this part of Canada which fail to take into account the laborious part which man must play in its development and the probability that, being inherently lazy, he will not quite do his best. On the other hand, there have been writers about the North-West whose pessimistic views are obviously the result of holding a brief which calls for the counsel of despair instead of hope. The plain statement of the truth, however, as far as it has been ascertained, is all that the country needs. It is clearly a part of the world where many millions of people may work out their material independence; may, in proportion to their industry and intelligence, become owners of property; and where a larger proportion than is often the case in the world may become actually wealthy.

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

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

A total of 167,048,130 bushels.

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

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

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

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

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

British Columbia.

While the North-Western Provinces have had more attention from Eastern Canada and from the outside world during the past year, no Province in Canada has had greater prosperity relatively to its immediate possibilities than British Columbia. This huge Province, destined probably some day to outstrip all others in wealth, with resources which require literally millions of people for their development, has at present but a handful, as it were, of people. It is so rich in products of both sea and river, valley and mountain—fish, fruit, grain, cattle, timber, coal, and almost all minerals; it is so lovely a country for man to live in; and it can eventually be so largely self-supporting because of its possibilities in producing varieties of food and varieties of manufactures, that no one can doubt as to the character of its industrial future. But the physical and financial problem of British Columbia is by far the most difficult of any of the Provinces, and it seems desirable that the other people of Canada should appreciate what the British Columbians have to do. Individually the people of this Province are well off, and the growth of the city of Vancouver is as startling as that of Winnipeg, Calgary, or Edmonton, but the number of people in British Columbia is about the same as in the city of Toronto, and a large part is not of white blood. This small body is called upon to make the initial expenditures necessary to render even the earliest conditions of settlement possible. And these initial expenditures mean roads built in one of the most difficult of countries, bridges across great rivers, etc.; indeed, at every point, the first outlay is most costly, especially as compared with that of the prairie Provinces. And when communication is made, the individual again has to expend unusual labor and money before he can get any return. The ultimate result of such initial expenditure, if wisely made, is not a matter of doubt, but the difficulties explain why British Columbia grows more slowly in population than we all wish.

This being the year for the curious quadrennial recurrence of large returns from the Fraser River, salmon fishing in British Columbia has been successful, and the fish have fortunately brought a high market price. The previous three years have been so unsatisfactory that vigorous steps for the preservation of this great industry have become plainly necessary, and we are glad to know that as one of the results from a Commission appointed by the Dominion Government we are likely to have much more attention paid hereafter to the fishing interests of the Pacific than has hitherto been the case. We cannot expect that the next three years will produce satisfactory results, but if arrangements now in contemplation can be completed, the result should be a steady prosecution of efforts at increasing the number of salmon, and, if these are successful, we may in the course of time build up the three lean years of the Fraser River to the level of the fourth year, and we may also improve all other British Columbia salmon rivers. The object is so vitally important to British Columbia that we can only hope that politics will not be allowed in any manner whatever to interfere with the desired result. Salmon fishing is, however, only a small part of the great fishing rights possessed by Canada in the Pacific Ocean, and the rivers running thereto. The supplies of halibut and herring are almost inexhaustible, and there are large quantities of other fish, such as smelts, cod, whiting, etc., but at present the business of fishing is not well organized, nor is there sufficient skill in the community to make the best use of this great natural source of wealth. It is doubtful if in Eastern Canada and in foreign countries any conception has been formed of the extent and richness of the fishing grounds owned by British Columbia. At the present time the United States fishermen are taking large quantities of halibut, using our ports for refuge in case of storm and shipping their halibut from Vancouver in bond to the United States. We cannot, of course, interfere with any legal rights they have, but surely, as in the case of the Atlantic fisheries, we ought not positively to aid such a diversion of our natural products. In this connection we should also like to draw attention to the unfortunate effect of the exclusion of Mongolian labor. It was of most noticeable value in connection with both fishing and canning, and the lack of such labor must have a very deterrent effect upon progress in this particular industry.

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

Amendments to the by-laws, raising the number of Directors from ten to twelve, and increasing the remuneration accorded them, were then passed, and the usual resolutions expressing the thanks of the shareholders to the President, Vice-President, and Directors, and also to the General Manager, Asisstant General Manager, and other officers of the Bank were unanimously carried.

It was then moved by Mr. James Crathern and seconded by Hon. Lyman M. Jones:

That the meeting do now proceed to elect Directors for the coming year, and that for this purpose the ballot box be opened and remain open until 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.

The scrutineers subsequently reported the following gentlemen to be elected as Directors for the ensuing year: Hon. Geo. A. Cox, Robert Kilgour, W. B. Hamilton, M. Leggat, Jas. Crathern, John Hoskin, K.C., LL.D., J. W. Flavelle, A. Kingman, Hon. L. Melvin-Jones, Frederic Nicholls, H. D. Warren, B. E. Walker. At a meeting of the newly-elected Board of Directors held subsequently Hon. Geo. A. Cox was elected President and Robert Kilgour Vice-President.