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The Canadian Bank of Commerce

REPORT OF THE PROCEEDINGS

THE ANNUAL MEETING OF SHAREHOLDERS

TUESDAY, 8TH JANUARY, 1918.

The fifty-first Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking house at Toronto, on Tuesday, 8th January, 1918, at 12 o'clock

The President, Sir Edmund Walker, having taken the chair, Mr. A. St. Trigge was appointed to act as Secretary, and Messrs. W. S. Hodgens and E. M. Saunders were appointed scrutineers.

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

REPORT.

The Directors have pleasure in submitting to the Shareholders the fifty-first Annual Report for the twelve months ending 30th November, 1917, together with the usual statement of Assets and Liabilities:

The balance at credit of Profit and Loss Account brought forward

This has been appropriated as follows:
Dividends Nos. 120, 121, 122 and 123, at ten per cent. per annum \$1,500,000.0 War tax on bank-note circulation to 30th November . Fransferred to Pension Fund Canadian Patriotic Fund\$50,000.00

Balance carried forward 1,332.074.52 A most careful revaluation of all the assets of the Bank has been made and every item which might be considered as bad or doubtful has been amply

Cadogan and Eckville; in Saskatchewan—Tramping Lake and Willow Brook; in Ontario—Hamilton Road, London; By Ward Market, Ottawa, and Balmy Beach, Toronto; in Nova Scotia—La Have. Sub-agencies have been opened at Cobble Hill, B.C., Richard, Sask., and Port Greville, N.S. The sub-agencies at Birch Hills, Sask., and Schumacher, Ont., are now being operated as branches. The following branches have been closed: in Alberta—Athabasca; and in Saskatchewan—Lanigan and Lewan. The sub-agency at Bic, P.Q., has also been closed.

As indicated in the Profit and Loss account submitted herewith, your Directors have, during the year, subscribed \$50,000 to the Canadian Patriotic Fund, \$7,500 to the British Red Cross Fund, \$5,000 to the British Sailors' Relief

crued to date 189,967,251 39 Balances due to other Banks in Canada Balances due to Banks and Banking Correspondents elsewhere than in Canada

Dividends Unpaid Balance of Profits as per Profit and Loss Account

29 822 074 52 \$344,375,232 64 ASSETS.

Gold and Silver Coin Current \$ 22,697,336 96 Dominion Notes
Deposit in the Central Gold Reserves \$ 54,652,247 21 Notes of other Banks \$ 2,004,762 00 11,930,875 21 pondents elsewhere than in Canada

Dominion and Provincial Government Securities, not exceed-Bonds, Debentures and Stocks Call and Short Loans (not exceeding 30 days) elsewhere than in Canada

Deposit with the Minister of Finance for the purposes of the Circulation Fund

Other Current Loans and Discounts in Canada (less rebate of interest) Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)

Liabilities of Customers under Letters of Credit, as per contra

Overdue Debts (estimated loss provided for)

Real Estate other than Bank Premises (inunsold balance of former premises of the Eastern Townships Bank).. \$ 1,236,999 52 Less mortgage assumed Mortgages on Real Estate sold by the Bank

196,005 81 Bank Premises at cost, less amounts written Less mortgage assumed on property \$ 5,390,075 44 purchased

Other Assets not included in the foregoing 5.090.075 44 111.588 68

B. E. WALKER JOHN AIRD. President General Manager. REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE

CANADIAN BANK OF COMMERCE. In accordance with the provisions of subsections 19 and 20 of Section 56 of the Bank Act, 1913, we report as follows: We have audited the above Balance Sheet and compared it with the books We have obtained all the information and explanations that we have required,

under our notice have been within the powers of the Bank. We have checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches at a date other than and in addition to the verification at 30th November, 1917, and they were in agreement with the entries in the books of the Bank

relating thereto. In our opinion the Balance Sheet is properly drawn up so as to exhibit true and correct view of the state of the affairs of the Bank according to best of our information and the explanations given to us, and as shown by the books of the Bank.

T. HARRY WEBB, C.A. of Webb, Read, Hegan, Callingham & Co. JAMES MARWICK, C.A. AUDITORS. of Marwick, Mitchell, Peat & Co.

the figures of the previous year, but, usually generous percentage bonus to as we have already pointed out, an all the members of the staff.

22,095,133 29 We have continued the payment of the usual dividend of ten per cent. per record a total loss of 153 men killed in action, 69 of whom have made the action, 69 of whom have made the record action. at the end of each half-year. The annual contribution to the Pension Fund No fewer than 255 have been wound-20,076,903 18 shows an increase of \$5000, owing to ed, many seriously, 7 are missing, and the larger number of members of the 16 are undergoing the hardships of the 831,173 35 staff who come within its provisions. enemy's prison camps. We have again been called upon for have been called upon to make large subscriptions for various patriotic advances to the Dominion Government 149,822,028 44 purposes, for which your approval is to provide for expenditures in connecasked. The war tax on note circula- tion with the war, and have also made 14,846,130 56 tion has this year reached its maximum, and after providing for these in addition to those already current 237.796 39 items we carry forward the large sum for the purchase of munitions in

and Loss account. Increased Note Circulation. nearly double the increase reported last year. As pointed out at the last annual meeting, the principal reasons for the high level of the note circulation are twofold: first, the high level the energy and patriotism of the orof all prices, and second, the great business activity caused by the large the loan in the hands of the public, orders for merchandise and munitions placed in Canada by the Allied Gov-We have audited the above Balance Sheet and compared it with the books vouchers at Head Office and with the certified returns from the branches. have obtained all the information and explanations that we have required, of the opinion that the transactions of the Bank which have come of the Bank Act under which the Central Cald Beauty wars established.

> to carry on the business of the coun-Twenty Billion Turnover.

the of the increase and of the difference in scale in Canadian anairs will be better over of the Bank for the year at twenty thousand million dolars. Needless to say, with the decrease in our trained staff caused by military endistent, the problem of caring for this vast amount of business does not call for special remark, as they are merely the result of the growth of our business.

Strong Cash Reserves Bank of British Columbia, the extent

culation. We have had the designs copyrighted in Canada, the United Kingdom and the United States, and they will be our own exclusive property. The work of engraving the plates is a slow and tedious process, and some of the notes will not be completed for several years, but we hope to put the smaller denominations into circulation during the current year.

Canadians who are not serving in the number of women being now 1.121, an increase of about 400. On the other hand, the number of male officers has decreased by 123, in spite of the addition of a large number of inexperienced lads under the age of twenty. Having regard to the continued growth of our blusiness and to the decrease in gentlements of less favoured countries. But there will come a time when high taxation and uncertainty as to the future will make men hesitate to em-

the additional business transacted or the additional responsibility involved. Large advances have been made from time to time to time to both the Town of the staff, of the staff, of the high cost of living. How shall we prepare for that day? The great male staff, exclusive of messengers. We know that we have supplied our time to time to both the Town of the staff. Large advances have been made from full quota, but we are making efforts time to time to both the Dominion to release every man physically fit who and the Imperial Governments, and is called up under the Military Service these naturally bear low rates of in-terest. This may be considered as few officers, the length and the char-27,596,420 22 part of our contribution to the cost actor of whose training are such that

they cannot be replaced.

The Roll of Honor.

With grief mingled with pride.

of \$1,332,000 at the credit of Profit ada. In all this financing the Bank

Government in the prosecution of the ders for a total of over 84 millions of dollars. Success of War Loans. The outstanding success of the Victory Loan was a striking tribute to

and the Finance Minister is again to be congratulated on the result of his ernments. A few years ago it would endeavors to obtain within Canada as have been considered most extraordi- large a proportion as possible of the mary that the total note circulation of funds required to carry on the war. all the banks should be throughout the As in the case of the last Imperial tral Gold Reserves were established, as otherwise there would be today no regular statutory provision for the additional bank-note currency needed to carry on the husiness of the course vences to small subscribers with fixed incomes so as to enable them to take a larger amount of the loan than The deposits now amount to the would otherwise have been possible. very large sum of \$276,000,000, an in-crease during the year of \$46,529,000. habit of saving throughout the comhabit of saving throughout the com-When it is recalled that not until 1901, thirty-four years after the Bank's portance. The total amount of sub-establishment, did the total deposits scriptions to the loan appears to have equal the amount of this increase, and reached \$417.000,000, from about \$07,-then only after the taking over of the 000 subscribers, a financial accom-

is out of proportion to the increase in their profits. Naturally an increase ed volume of business means a corresponding increase in the provision to be made for doubtful items, while the profits do not provide in a corresponding measure for the relative appropriations. Whenever there is offered a new issue of government securities yielding a higher rate of interest, the market for existing securities is depressed to a corresponding extent and this entails a writing down in the community and the profits do not provide in a corresponding measure for the relative appropriations. Whenever there is offered a new issue of government securities yielding a higher rate of interest, the market for existing securities is depressed to a corresponding extent and this entails a writing down in the community and the profits do not provide in a corresponding to be endirected almost entirely to the production of the latter, while ignoring altogether the greater importance of the former. The general increase in freight rates recently granted is a step in the right direction. The phown some improvement during the propriations. Whenever there is offered a new issue of government second the provisions of the latter, while ignoring altogether the greater importance of the former. The general increase in freight rates recently granted is a step in the right direction. The phown some improvement has a step in the right direction. The phown some improvement has a step in the right direction. The phown some improvement has a step in the right direction. The plant of the various forms in which iron, copper and other metals are used as a step in the right direction. The plant of the various forms in which iron, copper and other metals are used as a step in the right direction. The plant of the former. The general increase in freight rates recently granted is a step in the fight rates recently granted is a step in the fight rates recently granted is a step in the right direction. The plant of the various forms in which iron, copper and ot

leted for several years, but we hope o put the smaller denominations into circulation during the current year.

Advance in Profits.

The profits for the year amounted to the profits for the year amounted to but the profits of the year amounted to but the profits of the year amounted to the profits for the year amounted to the profits for the year amounted to the profits of the year's business were such as to justify a more than usually generous percentage bonus to the profits of the high cost of living. How shall the profits for the year amounted to the profits of the year's business were such as to justify a more than usually generous percentage bonus to the profits of the high cost of living. How shall the profits of the high cost of living. How shall the profits of the high cost of living. The great lating production, transportation, and distribution, are able to supply the Service eplaced, only have laid broad and deep the foundations of prosperity for our-selves, but shall have earned the gratitude of the nations. We shall have found a way to utilize the services of the unemployed and to lower

After the War. changed conditions which will prevail ain and the United States. We export to Great Britain enough more than to provide for expenditures in connection with the war, and have also made advances to the Imperial Government for the purchase of our wheat crop, in addition to those already current for the purchase of munitions in Canada. In all this financing the Bank has taken its full share, assisting the will again prevail. In order that this Government in the prosecution of the war to the best of its ability. As an item of interest in this connection we must be organized from the trade should be permanently success-have been placed in Canada, and it is item of interest in this connection we must be organized from the trade should be permanently success-have been placed in Canada, and it is There is again a large increase, amounting to \$4,735,000, in the item of interest in this connection we may mention that our customers have ning with a view to efficiency and our trade balance with that country. It should not be hard to understand on a sound according to \$4,735,000, in the item of interest in this connection we may mention that our customers have port fresh meat from Australia, New Zea'and and the Argentine through the tropical zone to the markets of Europe, we cannot but believe that the less serious difficulties confronting Canada can be successfully solved. We have millions of acres of productive land, we expect to have an abundance of labour, but we require organization and leadership.

President's Address. The President then said: We meet again with the shadow of the great war affecting everything we say or do. We are nearer the end than we were a year ago, but only cause a year has passed; in other ways there is no sign of the end Although the war is in its fourth year. it is still full of surprises; indeed, the year has been one of many and swift changes. The submarine menace, so ominous at one time, is still very serious, "held but not yet mastered," as Sir Eric Geddes lately said. However, we no longer doubt our ability to

plishment of the first magnitude. The subscriptions received through the branches of this Bank amounted to about \$80,000,000 from over 116,000 subscribers.

Gold Reserves Problem.

After the United States came into the war the shipments of gold from Great Britain to that country ceased, and, as pointed out in the report of our New York Agent, a slight adverse movement set in; in order, therefore, to conserve its holdings and to prevent gold from reaching the enemy, the United States Government placed an embargo on exports of the metal. Upon representations being made at Washington, however, through the Canadian Bapkers' As.

The state of the fland makes the chart of the first companies of the fland makes the chart of the chart of the fland makes the chart of the fland makes the chart an increase on a much larger scale. Of the improvement during the fiscal year, over 350 millions is due to agriculture and to manufactures, the total increase from the mine, the forest, the fisheries, and animals and their products being less than 50 millions. The exports of manufactures amounted to 487 millions, an increase of 237 millions over those of the preceding year. There is an increase in exports and imports under almost every heading, but the only very noticeable item is onto deemed to be within the realm but the only very noticeable item is only first that such a figure as 400 millions was not deemed to be within the realm processing the first that such a figure as 400 millions was not deemed to be within the realm processing the first that such a figure as 400 millions was not deemed to be within the realm processing the first that such a figure as 400 millions was not deemed to be within the realm processing the first that such a figure as 400 millions was not deemed to be within the realm process of 150 millions would be secured. It is safe to say that such a figure as 400 millions was not deemed to be within the realm process of 150 millions would be secured. It is safe to say that such a figure as 400 millions was not deemed to be within the realm process.

than would at first appear to be involved. In addition we have in course of preparation a new series of bank-notes, which are, we believe, in originality and beauty of design, a marked advance over those at present in circulation. We have had the designs of the staff number 3,633, including 280 messengers and 267 janitors; the lotal, after the withdrawal of the men called up under the Military Service Act, will still be somewhat larger than a year ago. The increase is, however, entirely in untrained women clerks, the number of reco nition.

Need of Greater Thrift.

And now a few words as to the future. Up to the present the high cost of living, of which we hear so much has borne heavily on comparatively few. The great majority of canadians who are not serving in the similar creament of the world through canadian to the United States, has sent future. Up to the present the high cost of living, of which we hear so much has borne heavily on comparatively few. The great majority of canadians who are not serving in the similar creament of reco nition.

Need of Greater Thrift.

And now a few words as to the future. Up to the present the high cost of living, of which we hear so much has borne heavily on comparatively few. The great majority of canadians who are not serving in the similar creament. which the cost of the war is paid by taxation. The extent to which we can supply money to our own Government for its share in the cost of the war and also supply money to Great Brit-ain for munitions of all kinds, includ-ing the agricultural and pastoral products of Canada, bought by Great Britain, depends on how far we are willing to avoid spending money on anything unnecessary to reasonable well-being, and clearly such an effort we have not made. Capital is not, however, in any large measure, being new form of saving in whit fixed in betterments, either by individuals, municipalities or provincial cheerfully because the reason and Dominion governments, and thoughtful people, at least, are spending less, and realize that we are en-gaged in the struggle of the ages. Now that the United States has entered the war there is no market for ders, and therefore we are being put to a greater test of our economic powers than ever before. It provinces or municipalities have securities to sell they must be sold at home.
Trade With United States.

In the year ending 31st March, 1917

as far as possible the high cost of lions came from the United States. As we sold that country only 290 millions we had to find 388 millions in The machinery for accomplishing this cannot be created on the spur of the moment, and we must equip ourselves beforehand to cope with the changed conditions which will prevail after the war. We must so co-ordisate the control of the spur our export and import business is done almost entirely with Great Britain and the United States. We export the calendar year 1917 show a much away in time and normal conditions entered the war, however, large orplaced on a sound economic basis. from these figures how vitally im-When we consider what difficulties portant it is that we should not buy have been overcome in order to transmerchandise that is not absolutely required for our most pressing national purpose, which is to win the war.

Government Issues. The success of the Finance Min-

ister in his share of the financing of the war has been so signal and its latest phase is so well known to you, that I repeat certain details now only for the information of our fo shareholders and correspondents. In January the issue of War Savings tunity they offer to almost every individual to save and to take some share in the nation's financing. In was brought out. The amount to be

ary to wait for the second loan, the total far secured being \$350,000,000. A be pressed to year 5 per cent. notes, \$100,0 of which 20 millions were used ire the balance of a loan ob Canadian war loan was offer hat while the Finance Minister people what he had asked for, the had subscribed to the third loan the proportion of only about one

> 807,000 Subscribers. Having this in mind, the Financ Minister created an organization cal culated to show what the Canada people could do. An extraordinar body of bond-dealers, bankers another business men, aided by the 3,00 atively short campaign secured su scriptions for 417 millions of dollar scriptions for 417 millions of dolla from 807,000 people. If to these a add the 195,000 purchasers of Wi duplication of names, we find tha responded to the call. The Minist had offered a loan of \$150,000,000 repayable in 5, 10 or 20 years with

amounted to \$685,000,000. To this must be added outstanding expenses and estimates for the balance of the year to cover requirements here, is Great Britain and in the field of war. These, carefully computed, in dicate that at the end of the year the cost of the war to Canada was about \$760,000,000. It is well known that, in addition to the task of find-ing money for such vast expenditure, the Finance Minister has been called upon to aid the Imperial Government o provide for a large part of the cos of munitions, etc., purchased in Can-ada. In addition to advances to the Imperial Munitions Board of 380 millions, as much as 32 millions was lent for the purchase of cheese, 15 mil-lons for agricultural products, and

place of ordinary industrial loans beore the war, represent the financial aid rendered by the banks to the carrying on of the war, but the banks which will be caused by the payments to be made for the Victory Loan. This will, in any event, mean something Mons of dollars by next May. true that the money in the end will return to the banks in one form or another, but not necessarily same banks and not in the same form. The loss of savings deposits, built up over a series of years now transferred permanently into a new form of saving in which the banks have no part, is being borne and is imperative, but it would be foolish not to recognize what a serious and difficult operation the great war loan

Loans to Governments The banks still hold the Imperial our securities outside our own bor-obligations for munitions amounting ders, and therefore we are being put to one hundred million dollars referred to a year ago, and during the past year they have made loans to the Dominion Government more or less connected with aid to the Imperial Government. In January they bought Canadian Treasury bills for 50 millions, maturing early in 1918, in July and August 70 bills, and in October 75 million

> The sales of Canadian securities for the calendar year 1917 show a much issues, other than those of the Do ion Government, are naturally very small. As usual we supply the fo ing details from the annual estimate of the Dominion Securities Corporation:-

> Total Sold. In Canada Government . \$693,420,279 \$551,180,279 Municipal 25.219.103 Public Service 1.825.000 Miscellaneous 16.110.800 8,370,800

Total\$772,741.848 \$580,963,817 In United In Great States_ Jovernment\$142,240,000 Municipal 5,831,365 Railway Public Service 17,500,000 \$4,866,666 Corporation . 13,600,000 Miscellaneous . 7,740,000

Total\$186,911,365 \$4,866,666 That 580 millions of securities could Certificates began and thus fir o er addition to the aid given by the banks 195,000 have been sold, amounting to to the manufacture of munitions, is ance of these certificates, which are ber that it was still necessary to obvery surprising, but we must rememissued in denomina ions of \$10, \$25, \$30 and \$100, is not so much the state of the year and that not only are these avenues now completely closed, but if we hope to continue the making of all, kinds of war products as actively as heretofore, we must find at home n March the third Canadian war loan larger sums in 1918 than in 1917 for issued was \$150,000,000, the loan being for twenty years with 5 per cent. investment in war securities. Even if ever, we no longer doubt our ability to cope with it, partly by a lessening in the number of ships lost and partly by vastly increased shipbuilding. The collapse in Russia and the set-back in Italy have altered the aspect on the banks, amounted to \$182.000,000. There wastern front from one in which vicwestern front from one in which victory seemed near to one in which it against 25,000 for the first and 30,000 municipality, corporation es incorported compan

Cleari ng houses re 12,554,204.00 growth of 18 for the eight in sixteen yea 571 per cent. We also st

ing permits Canada for the year jus Montre Toronto Vancou Winnip

We have fe rarding the in Canada. ures as we illustrative tion to the of our pros There is a many kinds ridge cases, restricted to other hand. portant de of steel and plane engin tions there chases by C most gratif Chairman o Board has

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that country Canada is sives, fuses factories sit tion to cont porations, Board has production sives, for the and nitrio a steel and fo struction of plants the s Governmen tracted for number of th er aeroplane fighting plan gine repres proud that sienced count undertake th

Even mor dustrial poir there are not aggregating Up to Dec forty-six wo ordered. The 1800 to 8800 total carry and the wo dead-weight steel vesse capacity ea Norwegian tons. This hundred an ing built a Toronto, V vood, Pert Vancouver. ing built at Orleans, Co Rivers, Tor lam, New

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