

# Forty-Sixth Annual Meeting OF THE Royal Bank of Canada

**SIR HERBERT S. HOLT, PRESIDENT, DRAWS ATTENTION  
TO MANNER IN WHICH CANADA HAS MET  
CONDITIONS CAUSED BY  
EUROPEAN WAR**

**MR. E. L. PEASE, VICE-PRESIDENT AND GENERAL MANAGER, IN A COMPLETE REPORT, SHOWS  
WHAT CANADA HAS BEEN ABLE TO ACHIEVE IN THE WAY OF PROGRESS AND  
DEVELOPMENT DURING THE LAST TWELVE YEARS.**

**THE MEETING MARKED THE CLOSE OF A SATISFACTORY YEAR.**

The Forty-Sixth Annual General Meeting of the Shareholders was held, pursuant to notice, at the Hotel of the Bank in Montreal, on Thursday, January 14th, 1915, at 11 o'clock a.m. On motion of Mr. Wiley Smith, seconded by Mr. E. F. B. Johnston, K.C., Sir Herbert Holt took the chair. The chairman requested Mr. W. B. Torrance, Superintendent of Banks, to act as Secretary of the meeting, and Messrs. C. R. Hosmer and A. Haig Sims to act as scrutineers.

The minutes of the last Annual General Meeting were confirmed, and the Annual Statement was taken as read. The Secretary was then called upon to read the Directors' Report, as follows:—

## DIRECTORS' REPORT.

The Directors have pleasure in submitting to the shareholders the Forty-Fifth Annual Report, for the year ending November 30th, 1914, accompanied by the Statement of Assets and Liabilities.

## PROFIT AND LOSS ACCOUNT.

Balance of Profit and Loss Account, November 30th, 1913	\$1,015,119.58
Profits for the year, after deducting Charges of Management and all other Expenses	1,086,112.67
Accrued Interest on Deposits, Full Provision for all Bad and Doubtful Debts and Rebate of Interest on Unmatured Bills	2,901,292.25

APPROPRIATED AS FOLLOWS:—	
Dividends Nos. 106, 107, 108 and 109, at 12% per annum	\$1,387,200.00
Transferred to Officers' Pensions	100,000.00
Written off Bank Premises Account	2,500,000.00
Contribution to Patriotic Funds	50,000.00
Depreciation on Investments	500,000.00
Balance of Profit and Loss carried forward	611,002.25

The assets of the Bank have recently been subjected to the usual careful revaluation. Branches have been opened during the year as follows:—  
In BRITISH COLUMBIA—Fort Fraser, Hazelton, Prince George.  
In ALBERTA—Calgary, 3rd St. West; Calgary, 1st St. West; Calgary, 1st St. East; Calgary, 1st St. South; Calgary, 1st St. North; Calgary, 1st St. West; Calgary, 1st St. East; Calgary, 1st St. South; Calgary, 1st St. North.  
In ONTARIO—London, 1st St. West; London, 1st St. East; London, 1st St. South; London, 1st St. North; London, 1st St. West; London, 1st St. East; London, 1st St. South; London, 1st St. North.  
In QUEBEC—Coteau, 1st St. West; Coteau, 1st St. East; Coteau, 1st St. South; Coteau, 1st St. North; Coteau, 1st St. West; Coteau, 1st St. East; Coteau, 1st St. South; Coteau, 1st St. North.  
In NEWFOUNDLAND—St. John's, West End.  
In BRITISH GUANA—Georgetown, New Amsterdam.  
Sub-branches have been established at Copetown, Ont.; Kintore, Ont.; and West Side, Peace River Crossing, Alta.

The following branches have been closed:—  
In BRITISH COLUMBIA—Princeton; Salmon; Vancouver, Campbell Avenue.  
In ALBERTA—Calgary, 1st St. West.  
In ONTARIO—Callander, South St. Marie, Queen and Bruce Streets; Trenton; Wroxeter.  
In QUEBEC—East Sherbrooke.  
also the sub-branch at Matsqui in British Columbia.  
The Head Office and all the branches of the Bank have been inspected, as usual, during the year. Your Directors have pleasure in expressing their appreciation of the efficient manner in which the officers of the Bank continue to perform their respective duties.  
All of which is respectfully submitted.

H. S. HOLT, PRESIDENT.  
E. L. PEASE, VICE-PRESIDENT.

## PRESIDENT'S ADDRESS

Sir Herbert S. Holt, the President, in moving the adoption of the report, said: I now have the pleasure to move that the report and balance sheet be adopted. Considering the very exceptional circumstances under which we meet this year, your Directors are specially gratified in being able to present satisfactory results. In point of liquid assets, the financial statement is the strongest we have ever submitted. Profits have fallen off somewhat from the previous year, but in these unprecedented times your Directors deemed it wise to consider strength before profits.

The usual facilities to clients have been continued without interruption, as indicated by the slight change in the amount of our commercial loans.

The thing of paramount importance, which agitates us all today, is the lamentable fact that Great Britain is at war. Needless to say, Canada intends to aid the Mother Country to the utmost of her ability, and will accept the consequent sacrifice of men and resources in the high spirit which the cause demands. As a result of the liquidation of war, the liquidation of the boom two years ago, the country is now in a better position to bear its share of the Empire's burden.

The outbreak of war was followed by a convulsive derangement of international exchange and general trade. Stock exchanges were closed, in many countries a moratorium was proclaimed, and a financial catastrophe of world-wide proportions was averted by the wise and timely action of the Bank Government in providing through the Bank of England, powerful machinery for sustaining and protecting credit during the war, and for twelve months after peace is concluded. Much credit is due to the Canadian Minister of Finance for the emergency measures so promptly introduced to protect the situation in Canada. The efficacy of these measures is shown by the fact that the business of the country has pursued its ordinary course, and the liquidation of the boom two years ago, the country is now in a better position to bear its share of the Empire's burden.

Having no misgivings regarding the final outcome of the war, we venture the prediction that its economic effect upon Canada will be beneficial, although the magnitude of the war is without precedent. Previous wars during the past half century (namely, the war of Russia against Austria in 1866, and against France in 1870, the South African War and the Russo-Japanese War) were all followed by active and expanding trade; but in each case, only two countries were concerned, and the war was of a limited geographical scope. The European nations involved may become financially prostrated for many years. Even if the war is not long continued, the flow of capital from Great Britain to this country is not likely to be resumed for a considerable time, and new construction work will, therefore, be retarded. Our liquid assets amount to 16.17% of our total liabilities to the public. Profits, which decreased from 18.5% to 16.3%, permitted the payment of the usual dividend of 12%, the writing down of Bank Premises by the sum of \$2,500,000, the transferring of \$100,000 to the fund for the Patriotic Funds, and the contribution of \$50,000 to the Canadian Patriotic Fund. Deposits show a decrease of \$2,126,000, but in reality we have gained approximately \$5,000,000 in commercial deposits, inasmuch as we repaid during the year the deposit of the Alberta & Great Waterways Railway, amounting to \$7,000,000. Commercial loans decreased \$2,500,000. Bank Premises stand at \$3,861,000. Conditions have been unfavorable for the sale of the Traders Bank Building in Toronto, on the disposal of which the account will show a large reduction. The sum of \$500,000 has been appropriated from Profit and Loss to write down the value of investments, which now stand at less than the market values of July 30th last. All classes of investments have been affected by the general decline. We may hope for a rapid recovery when general conditions improve.

The trend of Canadian commerce for the past year is revealed by the following statistics:

	1913.	1914.	Increase.
Field Crops (Dec. 31st)	\$53,000,000	\$63,000,000	\$10,000,000
Stocks (June 30th)	256,700,000	241,300,000	15,400,000
Bank Clearings (Dec. 31st)	9,290,163,000	8,073,461,000	1,216,702,000
Note Circulation (Nov. 30th)	119,407,000	114,767,000	4,730,000
Public Deposits in Chartered Banks, Post Office Savings Bank, etc. (Nov. 30th)	1,205,430,000	1,212,280,000	6,850,000
Chartered Banks—Current Loans (Nov. 30th)	921,700,000	881,941,000	39,759,000
Total Exports (Dec. 31st)	474,413,000	454,006,000	20,407,000
Total Imports (Dec. 31st)	673,240,000	612,720,000	60,511,000
Customs Receipts (Dec. 31st)	113,831,000	76,819,000	37,012,000

It will be observed that decreases were general, whereas during the five preceding years increases were the rule. The latter were years of rapid and much artificial development, attended, as always, by speculation, inflation and extravagance. It is providential that the inevitable reaction set in a considerable time before the outbreak of hostilities. If the war had caught us in the throes of the boom, it would have been a sad day for Canada. As a result of the drastic liquidation which has taken place, a spirit of caution and conservatism now prevails, and the country is in a better position to bear its share of the Empire's burden. Fortunately so, because we were confronted in August last by an unprecedented situation, being suddenly thrown upon our own resources by the stoppage of the flow of foreign capital. Until this flow is resumed it is evident that we must live within ourselves. The problem is, can we do so? I think it is possible. Some revision of preconceived plans will be unavoidable. Our progress may be less rapid and retrenchment will be necessary, but the manner in which the country has faced the situation during the first five months of the war is a fair augury for the future. Imports in this period decreased \$227,400,000, compared with the same months of the previous year, but exports decreased only \$27,847,000, leaving a balance of \$49,553,000 in our favor. This achievement is remarkable considering that our exports have invariably exceeded our imports for many years past, the adverse balance for the fiscal year 1914 being \$71,002,000, for 1913 \$161,745,000, for 1912 \$213,732,000, for 1911 \$292,932,000, and for the first seven months of 1914 \$96,218,000. The statement shows how quickly we have adjusted ourselves to the new conditions.

The extent and value of our resources are shown by the following statistics covering twelve years (1901, a decennial census year, to 1913), which will be found of special interest in the present situation. The phenomenal strides which have been made in this period in the production of cereals, in manufacturing, and in lumbering, indicate conclusively the probability of continued development in the future—especially in agriculture in view of the fact that the fertile lands of the western provinces are now accessible by three transcontinental railways. In fact, when one considers the amazing progress the Dominion has made, there is strong reason for confidence regarding the manner in which the country will emerge from the present trying conditions.

	1901.	1913.	Increase.
Area under Field Crops	19,763,000	35,375,000	79%
Farm Products	\$3,255,675	\$3,647,000	12%
Live Stock (Horses, Cattle, Sheep & Swine)	\$1,787,102,000	\$4,712,214,000	163%
Food Animals (Cattle, including Milch Cows, Sheep and Swine)	\$1,787,102,000	\$4,712,214,000	163%
Horses	1,377,403	2,239,228	59%
Cattle	1,118,279,419	2,239,228	255%
Production of Principal Grains			
Wheat	175,000,000	231,717,000	200%
Oats	175,000,000	404,668,000	131%
Barley	25,000,000	48,319,000	93%
Population	5,371,000	7,758,000	45%
Occupiers of Farm Holdings	544,888	740,000	35%

	1901.	1913.	Increase.
Wheat	181,200,000 bushels	231,717,000	28%
Oats	213,078,000 bushels	404,668,000	89%
Barley	30,201,000 bushels	48,319,000	59%
Total Field Crops	662,843,000 bushels	1,084,694,000	62%

	1901.	1913.	Increase.
Manufactures by Provinces (Estimated) 1901 and 1913			
Establishments			
Capital			
Employees			
Salaries and Wages			
Value of Products			

## LUMBER STATISTICS.

Value of Lumber Cut—1913.

(Not including laths and shingles.)

	1913.	1914.	Increase.
Ontario	\$24,772,617	\$24,772,617	
British Columbia	16,428,218	16,428,218	
Quebec	10,618,528	10,618,528	
Alberta	5,758,848	5,758,848	
Saskatchewan	1,908,482	1,908,482	
Manitoba	946,458	946,458	
Shingles	608,902	608,902	
Prince Edward Island	53,120	53,120	
Laths and shingles for Dominion	\$65,796,438	\$65,796,438	

## LUMBER EXPORTS, FISCAL YEARS ENDED MARCH 31, 1913-1914.

	1913.	1914.	Increase.
Logs	\$1,028,456	\$442,442	
Timber	1,356,708	1,408,708	
Timber deals and others	\$5,133,543	\$5,457,569	
Planks and boards	29,328,998	19,514,128	
Shingles	\$2,499,118	\$2,499,118	
Pulp wood blocks	6,806,445	7,388,770	
Square timber	1,363,290	536,195	

## RAILWAYS.

	1913.	1914.	Increase.
Miles in operation	18,140	28,236	
Tons of freight	36,999,371	106,922,710	
Gross earnings	\$2,398,749	\$4,258,704	
Net earnings	\$1,409,118	\$2,499,118	

The percentages of grain and other food products exported in 1913 are as follows:

	1913.	1914.	Increase.
Meat Products	7 p.c. of total product.		
Dairy Products	10 p.c. of total product.		
Fish Products	48 p.c. of total product.		
Foodstuffs	22 p.c. of total product.		

If the production of animal and dairy products could be brought up to the level of the production of foodstuffs, we might almost aspire to become before long a self-sustaining nation.

An economic question of vital concern to the country is the immigration of 1914. The number of 1913 British immigrants entering Canada numbered 121,781, those from the United States 78,251, and from other countries 118,223—total, 318,255. For the corresponding period of 1914 the numbers were 104,617, 51,929 and 47,412, respectively, making a total of 183,958. During the four months following the outbreak of war in August, 1914, the number of immigrants from the United States 14,683, and from other countries 2,671—a total of 25,914.

Of the large number of reservists who have left the country in the last few months we have no particulars. Emigration from the United States to Canada will doubtless continue on a fairly large scale, but will be completely cut off from Europe during the war, and probably for some time afterwards, as a great shortage of labor in Europe will result from the consequent devastation.

In Mr. E. Woods' review of the bond market in Canada in 1914, the total Canadian bond issues are placed at \$256,058,000, compared with \$341,000,000 in 1913. Of this amount Government issues represented \$85,415,000, municipal issues \$83,498,000, railway issues \$64,406,000, public utility issues \$6,468,000, and miscellaneous \$16,281,000. Great Britain absorbed 68.98 per cent, Canada 13.64 per cent, and the United States 11.38 per cent.

The following is a brief statement of general conditions in the various districts in which the bank is operating.

## BRITISH COLUMBIA.

For about ten years previous to 1914 British Columbia experienced almost continuous prosperity, escaping even the acute depression which affected the rest of Canada in 1907. Speculation became general, and real estate values were carried to unreasonable heights, but the money stringency of 1913 caused a reaction, followed by a general depression, which has since been intensified by the war.

Crops in general were good last year and prices of most of the principal products were high. The lumber business has been in an unsatisfactory condition for some years on account of over-production, the American competition and restriction on building operations in British Columbia and the Middle-West Provinces. Building permits issued during 1914 in Vancouver, Victoria and New Westminster show decreases of 57, 49 and 72 per cent, respectively, as compared with 1913. A preferential tariff with Australia, which is now being discussed, would be of great benefit to the lumber industry of the province.

Exports of lumber now amount to only about 10 per cent of total lumber exports from the Pacific seaboard of North America.

## MARITIME PROVINCES.

Business throughout the Maritime Provinces continued about normal except in the steel and coal industries, in which operations were necessarily curtailed by the outbreak of war. Lately, however, the British Government has placed orders for steel products which will have a stimulating effect upon business in general.

## NEWFOUNDLAND.

Reports from Newfoundland indicate favorable conditions in that colony. Although the fish catch was small, and the war has interfered with the export of lobsters (Germany previously affording the principal market), the total exports have somewhat increased during the year. Imports show a small decrease. Satisfactory features are the fact that the probability that the present high prices for fish and oil will continue, and the fact that exportation of pulpwood and pit props is now permitted by the Government.

As stated above, Newfoundland enjoys with the Province of Nova Scotia the distinction of showing a decrease in the number of cases of insolvency during the year.

## CUBA.

The sugar crop of 1913-14 was the largest in the history of the island, being 2,597,000 tons. It is estimated that the crop now being harvested will be somewhat greater. At present prices (fully 10 per cent higher than the average price obtained last year), the prospects of the planters must be considered most encouraging in spite of recent unfavorable weather and advanced freight rates.

Tobacco planters are less fortunate, owing chiefly to a serious falling off in the European demand. Exports for the 11 months ending November 30th last were some \$7,000,000 less than in the previous year. In view of the fact that the island produces some 100,000 tons of tobacco, the prospects for the future are not encouraging.

The total exports of Cuba last year were valued at \$170,000,000 (an increase of some \$5,000,000), while imports were about the same—\$132,000,000.

There has been absolutely no trouble of a political nature and the Government apparently continues to hold the confidence of the people.

Weather conditions have been favorable for the fruit crops. Exports are increasing annually.

The state of the cattle industry continues to be satisfactory, both supply and demand showing substantial gains.

The total exports of Cuba last year were valued at \$170,000,000 (an increase of some \$5,000,000), while imports were about the same—\$132,000,000.

There has been absolutely no trouble of a political nature and the Government apparently continues to hold the confidence of the people.

Weather conditions have been favorable for the fruit crops. Exports are increasing annually.

The state of the cattle industry continues to be satisfactory, both supply and demand showing substantial gains.

The total exports of Cuba last year were valued at \$170,000,000 (an increase of some \$5,000,000), while imports were about the same—\$132,000,000.

There has been absolutely no trouble of a political nature and the Government apparently continues to hold the confidence of the people.

Weather conditions have been favorable for the fruit crops. Exports are increasing annually.

The state of the cattle industry continues to be satisfactory, both supply and demand showing substantial gains.

The total exports of Cuba last year were valued at \$170,000,000 (an increase of some \$5,000,000), while imports were about the same—\$132,000,000.

There has been absolutely no trouble of a political nature and the Government apparently continues to hold the confidence of the people.

Weather conditions have been favorable for the fruit crops. Exports are increasing annually.

The state of the cattle industry continues to be satisfactory, both supply and demand showing substantial gains.

The total exports of Cuba last year were valued at \$170,000,000 (an increase of some \$5,000,000), while imports were about the same—\$132,000,000.

There has been absolutely no trouble of a political nature and the Government apparently continues to hold the confidence of the people.

Weather conditions have been favorable for the fruit crops. Exports are increasing annually.

The state of the cattle industry continues to be satisfactory, both supply and demand showing substantial gains.

The total exports of Cuba last year were valued at \$170,000,000 (an increase of some \$5,000,000), while imports were about the same—\$132,000,000.

There has been absolutely no trouble of a political nature and the Government apparently continues to hold the confidence of the people.

Weather conditions have been favorable for the fruit crops. Exports are increasing annually.

The state of the cattle industry continues to be satisfactory, both supply and demand showing substantial gains.

The total exports of Cuba last year were valued at \$170,000,000 (an increase of some \$5,000,000), while imports were about the same—\$132,000,000.

There has been absolutely no trouble of a political nature and the Government apparently continues to hold the confidence of the people.

Weather conditions have been favorable for the fruit crops. Exports are increasing annually.

The state of the cattle industry continues to be satisfactory, both supply and demand showing substantial gains.

The total exports of Cuba last year were valued at \$170,000,000 (an increase of some \$5,000,000), while imports were about the same—\$132,000,000.

There has been absolutely no trouble of a political nature and the Government apparently continues to hold the confidence of the people.

Weather conditions have been favorable for the fruit crops. Exports are increasing annually.

The state of the cattle industry continues to be satisfactory, both supply and demand showing substantial gains.

The total exports of Cuba last year were valued at \$170,000,000 (an increase of some \$5,000,000), while imports were about the same—\$132,000,000.

There has been absolutely no trouble of a political nature and the Government apparently continues to hold the confidence of the people.

Weather conditions have been favorable for the fruit crops. Exports are increasing annually.

The state of the cattle industry continues to be satisfactory, both supply and demand showing substantial gains.

The total exports of Cuba last year were valued at \$170,000,000 (an increase of some \$5,000,000), while imports were about the same—\$132,000,000.

There has been absolutely no trouble of a political nature and the Government apparently continues to hold the confidence of the people.

Weather conditions have been favorable for the fruit crops. Exports are increasing annually.

The state of the cattle industry continues to be satisfactory, both supply and demand showing substantial gains.

The total exports of Cuba last year were valued at \$170,000,000 (an increase of some \$5,000,000), while imports were about the same—\$132,000,000.

There has been absolutely no trouble of a political nature and the Government apparently continues to hold the confidence of the people.

Weather conditions have been favorable for the fruit crops. Exports are increasing annually.

The state of the cattle industry continues to be satisfactory, both supply and demand showing substantial gains.

The total exports of Cuba last year were valued at \$170,000,000 (an increase of some \$5,000,000), while imports were about the same—\$132,000,000.

There has been absolutely no trouble of a political nature and the Government apparently continues to hold the confidence of the people.

Weather conditions have been favorable for the fruit crops. Exports are increasing annually.

The state of the cattle industry continues to be satisfactory, both supply and demand showing substantial gains.

The total exports of Cuba last year were valued at \$170,000,000 (an increase of some \$5,000,000), while imports were about the same—\$132,000,000.

There has been absolutely no trouble of a political nature and the Government apparently continues to hold the confidence of the people.

Weather conditions have been favorable for the fruit crops. Exports are increasing annually.

The state of the cattle industry continues to be satisfactory, both supply and demand showing substantial gains.

The total exports of Cuba last year were valued at \$170,000,000 (an increase of some \$5,000,000), while imports were about the same—\$132,000,000.

There has been absolutely no trouble of a political nature and the Government apparently continues to hold the confidence of the people.

Weather conditions have been favorable for the fruit crops. Exports are increasing annually.

The state of the cattle industry continues to be satisfactory, both supply and demand showing substantial gains.

The total exports of Cuba last year were valued at \$170,000,000 (an increase of some \$5,000,000), while imports were about the same—\$132,000,000.

There has been absolutely no trouble of a political nature and the Government apparently continues to hold the confidence of the people.

Weather conditions have been favorable for the fruit crops. Exports are increasing annually.

The state of the cattle industry continues to be satisfactory, both supply and demand showing substantial gains.

The total exports of Cuba last year were valued at \$170,000,000 (