

# The Canadian Bank of Commerce

## REPORT OF THE PROCEEDINGS

### OF THE ANNUAL MEETING OF SHAREHOLDERS

Tuesday, 9th of January, 1917

The fifteenth Annual Meeting of the Shareholders of The Canadian Bank of Commerce was held in the banking house at Toronto, on Tuesday, 9th January, 1917, at 12 o'clock.

The President, Sir Edmund Walker, having taken the chair, Mr. H. V. F. Jones was appointed to act as Secretary, and Messrs. Edward Cronyn and J. E. L. Pangman 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 fifteenth Annual Report for the twelve months ending 30th November, 1916, together with the usual statement of Assets and Liabilities: The balance at credit of Profit and Loss Account brought forward from last year was \$ 461,892 25

The net profits for the year ending 30th November, after providing for all bad and doubtful debts, amounted to

Dividends Nos. 116, 117, 118 and 119, at ten per cent. per annum	\$1,500,000 00
Bonus of one per cent. payable 1st June	150,000 00
Bonus of one per cent. payable 1st December	150,000 00
Writings on bank-note circulation	147,283 52
Transferred to Pension Fund (annual contribution)	30,000 00
Subscriptions:	
Canadian Patriotic Fund	\$50,000 00
British Red Cross Fund	5,000 00
British Sailors' Relief Fund	5,000 00
Sundry subscriptions, including Toronto and Ontario Fire Relief Fund and War Hospitals, etc.	11,700 00
Balance carried forward	71,700 00
	802,319 09
	\$2,901,307 42

This has been appropriated as follows: Dividends Nos. 116, 117, 118 and 119, at ten per cent. per annum \$1,500,000 00

The usual careful re-valuation of all the assets of the Bank has been made and every debt which may be considered as bad or doubtful has been fully provided for.

Although this is the fifteenth report presented to you, the first half-century of the Bank's operations will not be completed until next May, owing to the date of the Annual Meeting having twice been changed. The Bank commenced business in May, 1867, and the first Annual General Meeting of the Shareholders was held on the 6th July, 1868.

During the year the following branches have been opened: In British Columbia—Pouce Coupe; in Alberta—Manberry; in Saskatchewan—Turtford; in Ontario—Rimouski and Thorold; in Quebec—Drummondville.

Your directors have made subscriptions of \$50,000 to the Canadian Patriotic Fund, \$5,000 each to the British Red Cross Fund and the British Sailors' Relief Fund, \$3,000 to the Northern Ontario Fire Relief Fund and smaller sums, amounting in all to \$67,000, to various organizations, principally of a patriotic character, which are seeking to alleviate the suffering arising out of the great war.

The auditors appointed by you at the last annual meeting have made the audit required by Section 56 of the Bank Act and their report is appended to the statement presented to you today.

It gives the Directors pleasure again to express their satisfaction at the zeal and ability with which the officers of the Bank have discharged their respective duties.

JOHN AIRD, General Manager. B. E. WALKER, President.

## GENERAL STATEMENT

30th NOVEMBER, 1916

Notes of the Bank in circulation	\$ 19,559,347 68
Deposits of bankers' interest	2,484,073 88
Deposits bearing interest, including interest accrued to date	167,413,073 88
Balances due to other Banks in Canada	229,896,152 13
Balances due to Banks and Banking Correspondents elsewhere than in Canada	141,317 42
Acceptances under Letters of Credit	5,091,893 49
Dividends unpaid	2,186,838 68
Capital Paid up	2,092,640 19
Rest Account	\$258,668,176 55
Balance of Profits as per Profit and Loss Account	525,000 10
	\$29,302,319 09
	\$288,427,579 76

Gold and Silver Coin Current	\$ 20,875,529 82
Domestic notes	19,215,476 00
Deposit in the Central Gold Reserves	6,000,000 00
Notes of other Banks	\$ 46,291,006 83
Cheques on other Banks	1,630,360 00
Balances due to Banks and Banking Correspondents elsewhere than in Canada	9,668,928 71
Domestic and Provincial Government Securities, not exceeding market value	2,781,960 86
British, Foreign, Indian and Canadian Municipal Securities	17,282,911 96
Railway and other Bonds, Debentures and Stocks, not exceeding market value	74,781,461 73
Call and Short Loans (not exceeding 30 days) in Canada on Bonds, Debentures and Stocks	14,726,138 07
Call and Short Loans (not exceeding 30 days) elsewhere than in Canada	21,441,355 85
Deposit of the Minister of Finance for the purpose of the Circulation Fund	806,664 42
Other Current Loans and Discounts in Canada (less rebate of interest)	\$129,941,429 49
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)	183,738,131 21
Liabilities of Customers	16,504,418 23
Overdue Debts (estimated less provided for)	2,092,840 13
Real Estate, other than Bank Premises (including the uncollected balance of former provision of the Eastern Townships Bank)	290,753 30
Mortgages on Real Estate sold by the Bank	\$ 1,264,458 34
Less mortgage assumed on property purchased	100,000 00
Other Assets not included in the foregoing	4,898,457 96
	126,934 34
	\$288,427,579 76

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE CANADIAN BANK ACT, 1916. In accordance with the provisions of sub-sections 19 and 20 of Section 56 of the Bank Act, 1916, we report as follows:

and in addition to the verification at 30th November, 1916, and found that 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 a true and correct view of the state of affairs of the Bank at the end of the year, and the information and explanations given to us, and as shown by the books of the Bank.

T. HARRY WEBB, C.A. Auditor. JAMES MAHAR, C.A. Auditor. Mitchell, Peat & Co.

Before moving the adoption of the report, the President, called on the General Manager to address the Shareholders:

The shadow of the great European war has been the dominating influence in business affairs during the year through which we have just passed. No important new transaction could be undertaken without considering the effect of the war, and in the conduct of the affairs of a great fiduciary institution such as a bank it has been necessary to give more consideration to the factor of safety than in the past.

Under review of the year under review were \$2,435,415, an increase of \$87,380 over the figure of the preceding year, a trifling gain, but considering the increased amount of business on which it has been earned, and the great activity which has proceeded throughout the year, it is interesting to note that this is about ten times the total assets in the balance sheet of twenty years ago, when the amount was \$238,670.00.

The number of our branches stands at 376 as against 374 a year ago, the smallest increase in many years, and in this respect, until the war is over and the future of the branches we now have has been made more clear, we shall continue to continue to mark time in this respect.

We have paid the usual dividends at the rate of 10 per cent. per annum, with bonuses of 1 per cent. at the end of each half year; the war tax on our notes circulation was \$2,484,073 88, the Officers' Pension Fund for \$80,000, and sundry subscriptions for patriotic purposes for \$17,700, leaving a total of \$2,681,273 88 to be carried forward to the accounts of next year.

There has not been much change in the situation in Mexico during the year. Business has naturally been affected by the events of the past few years in that country, and one of the results is that the two chief arteries of commerce, namely, Mexico and the United States, have been blocked.

During the year the various nations engaged in the war have depreciated their securities. Up to the present, however, we have not found it necessary to alter the rates of interest which their securities bear.

The notes of the Bank in circulation show an increase of \$3,887,000 over the figure of the preceding year. Throughout the year the note circulation of the chartered banks has been unprecedentedly high, and the prices prevailing for almost all commodities and partly to activity in business arising from the operations of the war.

Our deposits show a satisfactory growth, the increase being \$36,373,000, or 17 per cent. over the figure of the preceding year. The increase in deposits is due to the savings of the people and, also, therefore, less subject to fluctuation, and to the increase in deposits of interest-bearing deposits, which we have just referred to as the advance just given. Canada cannot too often be reminded of the fact that the exercise of economy and thrift to an extent to which they have in the past been strangers, and by thus saving for investment in government loans or as bank deposits, can do our share to provide the wherewithal necessary to carry the war to a victorious conclusion.

Our total holdings of coin and legal tender notes amount to \$6,388,000 over the figure of a year ago, but of this sum \$6,000,000 is represented by a deposit in the Central Gold Reserves to cover the issue of note circulation in excess of our paid-up capital, already referred to. These holdings of cash are in the hands of the public, and in view of the uncertainty of the future, it is our duty to assure you that we are sure that you will approve our policy of keeping strong in this respect.

Our immediate available assets total \$129,841,000, equal to 56 per cent. of our deposits, and 50 per cent. of our total liabilities to the public. The amount of our deposits is made up of the following: 56 per cent. of our deposits, and 50 per cent. of our total liabilities to the public. The amount of our deposits is made up of the following: 56 per cent. of our deposits, and 50 per cent. of our total liabilities to the public.

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Further Enlistments. Since our last annual meeting, an additional fifty-nine brave and promising young men of our staff have laid down their lives on the field of battle. Our staff at the end of the year, as at December 31st is as follows:

Killed	87
Wounded	145
Missing	8
Prisoners	8
Ill	20
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We have received many indications that our men are measuring well up to the requirements of the war, and are capable of taking their full share in the wonderful operations at the front. Our officers are thrilling the world. Six of our officers have been awarded the Military Cross and three more have been recommended for it.

We do not think that it would be fair to express our side in our staff without adding a number of our men who are serving in the staff at home. While we still have to

expect that some of them will take up military duty, we are satisfied that those who have remained at home are doing their best for the country by the highest motives; indeed, the work of the Bank could not be efficiently carried on without retaining the services of many men who in other respects would be available for military service.

Trade With Italy. A year ago you were advised that we had placed the facilities of this Bank at the disposal of our Italian allies for the purpose of receiving from their citizens in this country subscriptions to a war loan. The situation in Italy today is a very interesting one. The foreign trade of that country has grown very largely during recent years. The trade of Germany with Italy gradually overtook that of the United States, and the war, so far as Italy is concerned, has brought with it a serious dislocation of commercial intercourse, and a consequent closing of the sources of supply in allied and neutral countries is very pressing.

The project has been the subject of discussion in London, a company called The British Italian Corporation was formed, and the object was to provide our share of the cost of the war, and to lend as much as possible to Great Britain to pay for munitions made for her by Canada. We are apparently accomplishing this, but in the absence of figures we cannot estimate what amount of profit from our home trade is eventually invested in war securities, and also by the many subscriptions received from our wealthy neighbors when issues of our own war loans are made in Canada.

As to the future, it is obvious, we think, that after the war finance will be more liquid, inasmuch as the war has provided a stimulus to the growth of the country, and the future of the branches we now have has been made more clear, we shall continue to continue to mark time in this respect.

Similar projects with others of our allies are also under discussion, and we shall be glad to give our support to any such project which will help to build up after the cessation of hostilities the foreign trade of the Dominion.

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It will be seen that the actual sales in Canada of government bonds are considerably less than the amount offered to the public in Canada. To the extent thus shown buyers in the United States have eventually become the owners of these issues.

Next in importance to the question of our own war finance is the all-important question of the financing of the British Treasury. The Canadian obligations given on account of the British Treasury, the amount of which has been asked thus far to take pay for his goods in the form of Treasury bills, has been \$1,000,000,000.

The affairs of the United States are generally always in the hands of us, but never more so than at the present time and I hope that every Canadian who reads attentively the reports of the United States New York Agent. During the past year the United States has added to her gold stock, after deducting her exports, about 400 millions in gold, and it is now estimated to possess the huge sum of about \$2,760,000,000 in that metal.

From the value of \$2,400,000,000 of gold, the United States has learned that the imports of gold from Canada for the ten months ending October were 385 millions of dollars. This is a very large amount, and it is now estimated that the United States has learned that the imports of gold from Canada for the ten months ending October were 385 millions of dollars.

Turning at once to our trade with other countries, that being the best indication of the tendency of affairs at the moment, we find that leaving out the shipments of gold and bullion both inwards and outwards, our exports for the fiscal year ending 31st March, 1917, were \$1,101,000,000, an increase of \$141,000,000 over the figure of the preceding year.

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but such a collapse would be the natural result if the advice of the Reserve Board is literally followed.

Agricultural Production. The only direction in which the tide of prosperity in the United States is not at the full in agricultural production. In a year when the world is facing the highest prices for many times, the great decrease in the crop, the moderate yields of corn and oats, the small yields of minor crops, and the fact that the price of feed on the live stock situation are matters of deep concern. The individual producer may be compensated, at least partially, for the low yield by the higher price, but no comfort for the consumer, weary of high prices, can be found in a world short of food, and of almost every commodity that enters into his daily needs.

A matter of supreme importance to Canada, and for that reason, apply to which no excuse is needed, is that we must as far as possible provide the cost of the war at home.

At the end of October the war had cost us a little over 850 millions, and at our present rate of spending we are expending \$100,000,000 per month. From the excess of revenue over expenditure we have at the end of the fiscal year, we are able to pay for the war, and to pay a proportion of the total cost of the war in this manner reflects great credit on the Government of the Dominion.

War Finance. In this review of the finances of the year, it is interesting to recall the fact that the total war loan of August, 1915, 100 millions, were used mainly, if not altogether, in the year 1915. The total amount of the war finance which differs in a marked degree from that of Great Britain. Our finance minister has, as far as possible, endeavored to keep the war finance incurred, with maturities neither so long as to involve present rates of interest for too many years, nor so short as to involve a period of some years beyond any probable duration of the war.

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