where mill-work goes on all the year round. The cut of lumber in Washington in 1909 was 3,863,000,000 feet, considerably more than in any other State. The State suffered in 1910 from unusually destructive forest fires.

The trade with Alaska is on the whole satisfactory. It is not as large as in the most prosperous days of placer mining, but is on a sounder basis. Alaska is developing rapidly, but suffers much from the failure of Congress to adopt a rational policy regarding its large coal and other mineral resources.

Oregon has had a year of prosperity equal to 1909. While the wheat crop in Washington, Oregon and Idaho was 50,500,000 bushels, compared with 64,400,000 in 1909, the crop of Oregon alone was 17,750,000, against 14,250,000 bushels in 1909. The crop of hops has also been considerably larger. Conditions in lumber have been unsatisfactory but better than in Washington, and with an improving tendency at the end of the year. About one-sixth of the standing timber of the United States is in Oregon. There has been unusual railroad development, and large tracts of land hitherto used for cattle and sheep raising are being converted into farms, the lands made subject to irrigation, and settlers encouraged to grow wheat and fruit.

Crops throughout California have been large. They have been harvested under good conditions, and as a whole the return to the producer is the best ever known. In nearly all varieties of fruit the crops have been excellent both as to quality and quantity, the growers have received a fair price and the canners have readily disposed of their stocks, one large company packing over 1,000,000 cases more than in 1909. The conditions surrounding this very great industry are more favorable than they have been for many years. The crop of citrus fruits promises to exceed 50,000 cars, as against 41,592 cars in 1909. The demand for all grades of salmon has been the greatest ever known. Packers have been unable to fill all their orders, and prices of different grades have advanced from ten to thirty per cent.

The growth of the production of petroleum continues to surprise us. In 1880, 40,500 barrels were produced; in 1890, 307,300; in 1900, 4,330,000; in 1909, 58,192,000, and for 1910 the quantity is estimated at 75,000,000 barrels. In 1907 the value of the gold produced in California was $16,728,000, and of the petroleum $20,155,000. In 1909, the value of petroleum exceeded that of gold by over $8,000,000, and in 1910 the excess is likely to be about $15,000,000.

The sugar crop of the Hawaiian Islands, largely handled through San Francisco, is estimated at 530,000 tons. It produced an average of $83.90 per ton, as against $77.81 in 1909. Owing to the unprecedented crop in Europe, said to be 7,900,000 tons, and to an increase of about 200,000 tons in the crop in Cuba, lower prices are probably in 1911. The pack of canned pineapples reached a total of 600,000 cases in 1910. The production of beet-root sugar in California is increasing rapidly, and in 1909 amounted to 126,600 tons.

When California came into the Union in 1850 it had a population of about 100,000. The census figures just published show a population of 2,377,000. The State was never more prosperous, and immigrants are coming in very fast and filling up the valleys in the interior. In four years San Francisco has rebuilt itself at an expenditure up to January, 1910, of $177,930,000, a greater sum than the value of the buildings destroyed. In ten years, notwithstanding the loss of people following the fire, the population of the city has increased 21.6 per cent. It is only in a state with extraordinary productivity that such things are possible.

MEXICO.

As you will know, we are now interested in Mexico. Business conditions there have been a little slower in recovering from the contraction of 1907 than in other parts of North America, largely because the country depends for its development so much on the introduction of foreign capital. Speaking broadly, the supply of foreign capital has been drawn from the following sources:—

(1) British, including Canadian, $700,000,000; about 60 per cent. being invested in railways, 15 per cent. in mining, and 25 per cent. in agricultural and other industrial enterprises.

(2) United States, about $1,000,000,000; about 35 per cent. invested in railways, 45 per cent. in mining and the balance in other industries.

(3) French, German Belgian, Dutch and Spanish, about $300,000,000, invested largely in bank stocks, in manufactures, and in wholesale and retail trade.

The Germans control the hardware trade, the French the dry goods, and the Spanish the grocery trade. We find that the trade which might be done by Canada is almost entirely monopolized by the United States, the grain trade excepted. A business not always large but always valuable is carried on with the United States in lard, hams, bacon, canned meats, fish, butter, condensed milk, cheese, fresh, preserved and dried fruits, vegetables, grain, flour, cereal foods, etc. In comparison with this, we figure only as sellers of grain, and doubtless until we can produce more we shall not do any of this trade except grain, but nevertheless it awaits us when we are energetic enough to seek it.

The exports of Mexico exceed the imports handsomely, although this may not continue when development in that country is on a larger scale. The total trade for the fiscal year 1908-09 was $387,633,000, imports being $156,533,000 and exports $231,100,000. The corresponding figures for 1909-10 were; Total foreign trade, $454,913,000; imports, $194,857,000; exports, $260,056,000. In every prominent article of export except two there was a considerable advance over the figures of the previous year. All of these figures should be divided by two to represent our money values.

The general development of Mexico has been retarded owing to the fact that large areas of the most fertile land are held by families who have done little to improve their properties and who have been content with the trifling return per acre resulting from unskilled labor. The Government is now trying to convert these often vast estates into small holdings, and to encourage farming on more scientific principles. Irrigation is being introduced where required, experimental farms are being established, and the necessity of better tillage, seed and fertilization is being brought to the attention of the farmer. In the same way steps are being taken to improve the breed of native cattle and to take advantage, especially now that ranching lands are becoming scarce in the United States, of the great areas of excellent grazing lands in the Northern and Western States of the republic. Until recently there has been little restraint upon the ruthless destruction of the great timber lands in Mexico, but, as in other North American countries, it now seems as if some steps looking to conservation would be adopted. Mexico possesses immense deposits of iron ore on the Pacific coast, said to be suitable for the production of highgrade steel, but she does not possess great coal measures, such as are found in British Columbia. May these facts not tend to important relations on the Pacific coast between these two friendly countries?

The resolution for the adoption of the report was then seconded by the Vice-President and carried unanimously.

The President called upon the Vice-President to move a resolution approving the action of the Board in enlarging the Pension Fund of the Canadian Bank of Commerce so as to include provision for the widows and orphans of deceased employees of the Bank, and authorizing the Board to contribute to its maintenance out of the profits of the Bank. In moving this resolution, the Vice-President referred briefly to the foundation and history of the Guarantee and Pension Funds of the bank, and explained to the shareholders the new provisions which had been incorporated in the Pension Fund. He stated that the Fund had been established upon a scientific basis and that the Board believed it to be now actuarially solvent and would guard against changed conditions in this respect by actuarial examinations at intervals of ten years or so, as occasion might require. The resolution was seconded by Mr. Flavelle and carried unanimously.

Mr. Davidson then said: "Having before us such a report and statement as have been submitted to us to-day, I think we may say most heartily that the President and Directors of the Bank have faithfully and well discharged the trust which has been placed in their hands. I think that this Bank is exceedingly fortunate in having at its head one whose experience is so varied, so broad, and so well directed, and as its Directors men engaged in large undertakings, who have large ideas and the determination to carry them out. The interests of the Bank are well served in their hands. I have much pleasure in moving that the thanks of the meeting are due and are hereby tendered to the President, Vice-President and other Directors, for their careful attention to the interests of the Bank."

The motion was then briefly seconded by Mr. Silverthorn and responded to by the Chairman, who thanked Mr. Davidson and Mr. Silverthorn for their kind remarks, and expressed his conviction that the Board was conscious of its great trust and would endeavor to do as well in the future as it had been able to do in the past.

(Continued on following page)