The Canadian Bank of Commerce.

Annual Meeting.

The forty-fourth Annual Meeting of the Shareholders of the Canadian Bank of Commerce was held in the banking house on Tuesday, 10th January, 1911, at 12 o'clock.

General Manager's Address.

The General Manager said in part:

We have pleasure in presenting you with a statement which is in many respects a culminating record in the Bank's history. The past year was remarkable for a large volume of business and general prosperity, which justified our predictions when last we had the honor of appearing before you. At no time during the year was there any apprehension lest we should fall short of our estimates. The trend of business, uniformly satisfactory profits, and comparative freedom from losses make it possible to lay before you the results of our operations with great confidence and a full assurance that they will meet with your very cordial approval.

The profits for the past year were $1,838,065.04, an increase of $327,370 as compared with those of the previous year—being 18.38 per cent. on the paid-up capital. This result was obtained after making a careful revaluation of our assets, and ample provision for all bad and doubtful debts.

In accordance with our recommendation, your Directors increased the dividend to nine per cent. per annum, which called for a payment of $900,000. We are gratified that our present and prospective prosperity justifies the expectation of a larger return on your capital, and it will be our pleasure to suggest the payment of ten per cent. for the coming year.

You were good enough to pass a resolution at the last annual meeting authorizing the grant of $20,000 as a nucleus for a Widows' and Orphans' Fund, and this sum, with the regular payment of $30,000 towards the Pension Fund, accounts for the $50,000 charged against profits for this year. After very careful investigation and actuarial examination, we are pleased to say we have been able to adopt a comprehensive scheme to embrace in one fund a beneficent recognition of every member of the staff. We cannot express too strongly our gratification at this consummation of our desire for the welfare of the service. This crowning act will do much to foster the best interests of the Bank, so zealously guarded since its establishment.

After providing for these appropriations we were able to transfer to Reserve Account $1,000,000, and to carry forward $310,204.06 in Profit and Loss Account.

Our deposits show an increase of $6,347,275, which we regard as a healthy growth under this head; the accession of special amounts of a temporary nature, mentioned in last year's statement, equalling the withdrawals during the year. On account of the expansion of our commercial business in Canada current loans and discounts have increased $10,900,344, and this necessitated the withdrawal of $9,523,788 from our call and short loans in the United States. We report $2,167,410 more cash on hand than on last year's statement, and our quick assets equal 45 per cent. of our liabilities, excluding capital and surplus.

The extraordinary development of Canada, the manifest need for the extension of our system to meet the requirements of a rapidly growing business, and the protection of our business at points where we are already established, make it imperative that we should do our duty in opening branches, often anticipating the necessities of the case. We are not unmindful of the criticism activity of this kind engenders, but are conscious of the fact that we are expected to do our full share in the upbuilding of the country which gives us privileges with the understanding that our service will be commensurate with our opportunities. We realize our accountability to the shareholders of this Bank, who have entrusted us with a large investment, and we believe you will be satisfied with the assurance that we exercise a prudent caution as we continue to open branches in new fields.

We have closed a very satisfactory year, our accounts showing unusual profits and a healthy advance in material prosperity. There was a steady and persistent demand for money to care for the needs of merchants, manufacturers, and our farming community, with rates fairly well maintained, the fluctuations being unimportant, notwithstanding the uncertainty of financial affairs in other centres with which we are intimately connected. The outlook for easier conditions in Great Britain will probably result in the sale of Canadian securities abroad in large volume, and the prospect of cheaper money in the United States may have a reflex influence here; but with the great development in all parts of Canada there should be employment at remunerative rates for funds to carry on ordinary business, and all the indications are favorable to active trade along safe lines. We enter the coming year with a confidence begotten of past experience, and hope to share in the general prosperity, and to enjoy reasonable freedom from undue anxiety in the management of our institution.

President's Address.

The President then said in part:

Doubtless the feeling most strongly present at the moment regarding business conditions in Canada is that we are enjoying a prosperity as great as we have ever known. Whatever significance the check of 1907 had at the time, or should still have, even the memory of it seems to have passed away, and with larger foreign and home trade, larger bank clearings, a larger amount of building in cities, a larger amount of railway construction, and larger immigration than in any previous year, it would be strange if we felt otherwise. Our Western crops were not to our liking this year, bankers know that a little more expansion may make money scarce, and the pace of real estate speculation has brought on the inevitable temporary exhaustion, but, important as these things are, they have little effect on the situation as a whole. Even the large reduction in the volume of business in the United States is regarded as mainly due to political unrest and as having no direct bearing on our position. That we are experiencing very great prosperity is a matter evident to all, but if we examine in detail the circumstances accompanying this prosperity, there is much that is not satisfactory. Great Britain is a country that can afford to import much more than it exports because the world owes it annually an enormous sum for interest and other things, for which it must, of course, take payment mainly in merchandise. The United States is a country which should export annually about $500,000,000 more than it imports in order to pay for interest, and for the money drawn from the country by permanent absentees, tourists, emigrants to Canada, etc., and because it cannot afford to increase its debt to foreign countries, having already about 100,000,000 people and a scarcity in many raw materials. Canada is one of the new countries which is entitled to, and which must, during its period of rapid settlement, import more than it exports. The difference is met, however, by debt obligations which must some day be paid. The question then, as to how much we should go into debt is the same which confront the individual in trade, but the considerations are so large and so complicated that it is hard to know when we are wise and when unwise. What is certain, however, is that when a man is in debt he should live sparingly, not extravagantly, and that if, with the money he has borrowed, he has put himself in the way of making a product with which he hopes to pay his debt, he should strain every nerve to make and sell as much of that product as he can, in order to reduce his indebtedness to the lowest point possible. Now, Canada is somewhat like a man who, having a rich inheritance in land, borrows to develop it, and, confident of its future value, spends freely for his present gratification, while he does not make effort enough to create the needed present revenue from his property.

During the fiscal year 1910 of the Dominion Government our imports and exports both reached record figures. Our imports were $391,803,000, and our exports $301,358,000, the balance against us being $90,445,000. The excess of imports is not a record, having been exceeded in 1907 and 1908, but it is, as was expected, a great increase over the previous year, when, because of the contraction in 1908, the excess of imports was only $48,162,000. The total of our foreign trade was $693,161,000, more than three times the volume of twenty years ago. It is unfortunate that we cannot estimate, even roughly, the volume and growth of our domestic trade during the same period. Our imports from the United States were larger than ever, $237,693,000. This is almost twice the amount of ten years ago. Our exports were a trifle less than in 1908, being $113,145,000. The sum we had to pay to the United States in money was therefore $124,548,000, or more than two and a half times the amount we had to pay ten years ago. This money was obtained partly from the surplus in our exports to Great Britain, partly from the sale of securities in Great Britain and Europe, and to a small degree from investments in Canada coming from the United States, and the wealth brought in by settlers from that country. Our imports from Great Britain were $95,677,000, a trifle less than those of the record year 1908. Our exports were a record, being $149,634,000, against $134,484,000 in 1908. The surplus in our favor was $53,956,000, a smaller figure than in six of the last ten years, and about eighteen millions less than in the most favorable year, 1903.

It is clear that if we chose we could largely increase our exports. We know that in almost all parts of Canada the majority of farmers produce very much less wealth per acre than would be possible with greater effort and with the necessary labor available. The farmer who has no mortgage or other debts, who finds labor extremely hard to obtain, whose standard of comfort is fixed, and who is no longer young, cannot easily realize that he has any duty to the State which he does not perform, nor can any pressure be brought to bear upon him except by friendly argument and practical illustration. The fact remains, however, that because the farmers as a whole do not produce more, our debts to other countries for national expenditure made in anticipation of future development are more burdensome than is necessary.

The total value of the field crops of Canada, at local market prices, as estimated by the Census Department, is $507,185,000, the product of 32,711,062 acres. The corresponding figures for 1909 are $532,992,000 from 30,065,556 acres, and for 1908, $432,534,000 from 27,505,663 acres. The loss in 1910 was in wheat, oats, and barley, in which the acreage was 20,992,900, with a value of only $248,738,000, against 18,917,900 acres in 1909, with a value of $289,144,000. So that, while the decrease in all field crops is $25,807,000, the loss in wheat, oats and barley alone is $40,406,000, leaving a handsome increase in all other field crops.

The most curious feature in Canada at the moment is the outbreak from time to time of agitation stirred up, sometimes by guilds, sometimes by strikes, and often by city councils, but always by one set of interests against another. We have a more general prosperity than could readily be found elsewhere, now or in the history of the past. The only people with a just complaint are those whose labor and brains are paid by a more or less fixed recompense, which is not adjusted in accordance with the change in prices. These are the people who, as a rule, do not complain, perhaps because their fortune is the same in every country. In the case of the majority of our wage-earners there is some adjustment, whether sufficient or not. In any event, the overwhelming bulk of our people share in our prosperity, which, be it remembered, is the result of our combined activities. It is not due to the farmer alone, nor to the mechanic, nor to the railroad, the bank, the manufacturer or the shopkeeper. It is the result of the fortuitous circumstances under which we are enabled by our combined effort to make profitable use of the natural resources of Canada. Is it not, therefore, most regrettable that, instead of each individual finding happiness and contentment in his own prosperity and in his share in building up this country, which is his guarantee of future well-being, we agitate merely that we may still further profit as individuals, even if other Canadian industries are made to lose or are destroyed thereby?

The Maritime Provinces.

While there is, perhaps, less change from year to year in the Maritime Provinces than in most parts of Canada, there is a slow but steady improvement in many industries, and the year just closed has been one of marked prosperity. The results from general agriculture have been perhaps the best in the history of this part of Canada, both as to yield and as to price. The value of the field crops of the Maritime Provinces in 1910 was $50,150,000, compared with $49,684,000 for 1909. Potatoes suffered so severely from rot and the yield was so small that this important crop brought in only about half the usual returns. Apples and other small fruits, excluding berries, were most unsatisfactory—apples being less than one-third of a crop—but in other products, especially hay and grain, crops and prices were so good as to second the admirable efforts of the Agricultural College to impress upon the people how profitable are the results to be obtained from land which is fertile and near to good markets, but which lies idle largely because the people of many parts of these provinces have been used to other pursuits. In Prince Edward Island dairying and stock-raising are increasing in volume and have been very profitable during the past year, and the same is true of some parts of Nova Scotia, but in New Brunswick, notwithstanding the higher prices and the fine hay crops, much less cheese and butter is made than five or ten years ago, many less factories and creameries are in operation, and the stock of horses, cattle and sheep is actually less numerous than ten years ago.

Ontario and Quebec.

A year ago, despite some fluctuations in conditions, the record of agriculture in Ontario and Quebec was most satisfactory. This year the record is still better, and it is questionable if as regards yield or prices, excepting in the case of fruit, potatoes, and one or two minor articles, a more generally successful result was ever obtained by our farmers. High prices in 1909 had caused a larger acreage of grain to be planted, farm work began early in the spring, fall wheat came through the winter well, harvest results were excellent, hay gave a large yield, roots in most localities did well, cattle, horses, hogs, poultry, eggs and all dairy products brought high prices, but the supply was unfortunately always insufficient. The value of the field crops of Ontario and Quebec for 1910 was $301,109,000, compared with $290,469,000 for 1909.

Although in the fruit districts where apple growing is carried on scientifically, as fine apples were produced as could be desired, the crop as a whole was as great a failure in Ontario as in the Maritime Provinces. In neither district can accurate statistics be obtained, but the quantity shipped from Montreal is sufficient to show what a bad crop means. In 1910 the shipments were only 163,000 barrels, there being no recent year comparable with this except 1901, when shipments were only 122,000 barrels. The highest figure reached was in 1903, 732,000 barrels, and the average of eight ordinary years was about 515,000 barrels. Doubtless no care would have averted the main cause