

# The Chronicle

## Banking, Insurance & Finance.

ESTABLISHED JANUARY, 1881

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**THE COST OF LIVING.** THE classic story of the Arkansas legislator who moved that the "law of supply and demand be hereby and forthwith repealed" is recalled by a New Year resolution offered last week at Washington. Representative Hull, of Tennessee, moved for a joint committee of seven members of the House and five members of the Senate to investigate and report upon conditions affecting the increase in cost of living.

The resolution sets forth that during the past twelve months there has been an advance in the prices of commodities of from 11 to 30 per cent., and during the past thirteen years of more than 56 per cent. The resolution further states—but this is more open to argument—that the advance is entirely disproportionate to the increase in wages, making it difficult for millions of people to procure food, clothing and shelter consistent with their needs.

**WORLDWIDE ADVANCES.** BY some, the phenomenon of rising commodity prices is explained as due chiefly to increasing gold output; by others as arising from a lessened production of "beef and wheat"—relatively, that is, to the world's demands. Others more vaguely refer to it as "a resultant of many economic forces," and discreetly leave it at that. To make the Payne tariff the scape-goat-in-chief for America's price advances of recent months, is to overlook the fact that in free-trade England, the rising price-trend has been well nigh as manifest. Indeed the London Economist's index number of average commodity prices for January 1, was 2,390, the highest since 1907, an advance of 57 points over December 1 and of 193 over a year ago. The December rise was chiefly in cotton, but iron, copper, tin and lead all contributed. For the year the principal contributors to the rise were cotton, hemp, flax, wheat, sugar, tallow, tin and iron. The January number is the record since November, 1907. Except for the single year from October, 1906, to November, 1907, it is the highest in thirty years.

From which will be seen that the year's advance in the Economist's price-average for commodities was practically 9 per cent.—the corresponding rise in

Bradstreet's American index being about 12 per cent. Not a few observers look upon the continued rapid rise in commodity prices as the most disconcerting factor in the present financial and commercial situation.

**WORKMEN'S COMPENSATION.** WITH the cost of raw materials and of wages both advancing, prices of manufactured products necessarily keep pace.

And compensation for workmen's injuries is likely to become an increasingly important factor in the cost to the ultimate consumer. In Canada itself, legislation has been enacted in four provinces, of late years, imposing upon the employer of labour the obligation to compensate his employees when injured, irrespective of whether the accident could or could not have been prevented by the employer or the injured workman.

Mr. W. G. Falconer, in addressing the Insurance Institute of Toronto yesterday, dealt with the Compensation Acts that are now in force; in British Columbia since 1902; in New Brunswick since November, 1908; in Alberta since January, 1909, and in Quebec since the 1st of January of the present year. In Manitoba a similar compensation bill is at present under advisement. The Workmen's Compensation Act of Ontario (1886, amended in 1889) is less extreme than those more recently passed, since in that province, the workman must show some negligence on the part of the employer. It is in reality, therefore, a Liability Act rather than a Compensation Act, as the term is now generally used. In the United States the question is also being widely discussed, with the probable result that on the other side of the line legislation on the same basis may soon be law. Workmen's Compensation also in Europe has for some years been an established principle. As a humanitarian proposition, it is hard to dispute the principle, but as a question in economics it may raise many points of dispute. In Mr. Falconer's opinion, the principle is a right one, and manufacturers themselves seem pretty generally in favour of it. The wisdom of placing the increased cost of this legislation—because it is admitted that it means largely increased cost—upon employers in a young country, he considers as open to question.



**Prominent Topics.**

**Suburban Annexation.** The Council of Notre Dame de Grace has voted in favour of annexation to Montreal, and some people are worried because one of the conditions is the expenditure of a million dollars in the new ward in the next ten years. In our opinion the proviso is as unimportant as it is unnecessary. The expenditure of a hundred thousand dollars a year in the new territory during the next ten years, is practically inevitable. The proviso was a short-sighted one, because it may tend to limit the generosity of some future aldermen who cannot see beyond the length of their noses, in dealing with a new district that will pay for developing. All the outside municipalities will find it to their interest to come in to the city as quickly as they can, without waiting to make conditions. Once in, they are part and parcel of Montreal, their citizens are part of "the walls of Sparta, and every man is a brick." There is not a foot of real estate in the suburban municipalities (with the possible exception of Westmount, itself a city), but is depreciated in value by being outside, instead of inside, the city limits.

**Dominion Bank.** Two years ago, the directors' report to the shareholders of the Dominion Bank, referred to unusual financial conditions then prevailing. Since then, general trade contraction has gradually given place to renewed activity—and now the outlook is for steadily increasing business expansion. During the earlier months of 1909, however, there was still worldwide monetary ease—commercial recovery abroad not having then progressed far enough to counteract it. In consequence banking profits generally fell off somewhat. Those of the Dominion Bank according to its preliminary annual statement totalled \$620,927—or practically within \$20,000 of the preceding year's showing. After paying four quarterly dividends at the rate of 12 p.c. yearly, \$150,000 has been written off bank premises and \$295,000 carried forward to profit and loss.

Deposits increased \$7,575,000. Cash assets stand at \$10,500,000, and quick assets, \$22,000,000, being 45 per cent. of the total liabilities to the public.

**Naval Bill.** The Naval Bill introduced by Sir Wilfrid Laurier contains some features which will be agreeable surprises to men of patriotic impulses. To begin with the programme is a more ambitious one than was expected. It contemplates the expenditure of \$11,000,000 on the construction of eleven vessels and an annual expenditure of \$3,000,000. It recognizes His Majesty as the commander-in-chief of

the Canadian Navy and it authorizes the Governor General in Council to place the Canadian fleet at the disposal of the Admiralty at any moment. Incidentally, the debate brought out from the Premier a formal recognition of the fact, which, however, is fairly obvious, that when the Empire is at war, Canada is also at war, liable to invasion, and consequently under the necessity at least of acting on the defensive.

**New Fire Commissioner.** For all we know, Mr. Rodolphe Latulippe may make an ideal Fire Commissioner, but there is something unconsciously cynical in the terms in which an esteemed contemporary announces his appointment:

"The new appointee is well known in the city and province, where for 15 years he has taken an active part in political affairs. For the past six years Mr. Latulippe has been president of the Letellier Club, one of the conspicuous Liberal associations of the city. For some time Mr. Latulippe represented Le Canada in the Press Gallery of the House of Commons."

The position of Fire Commissioner always was regarded as something of a joke; otherwise our old friend Fred. Perry, whose principal claim to distinction was that he was suspected of setting fire to the Parliament Buildings, would never have been appointed Fire Commissioner.

**The Swing of Victory.** Whatever may be the immediate result of the British elections, the campaign will prove an educational one. It is not likely to kill Free Trade, but it will kill the Free Trade fetich. No longer will it be generally considered wicked to refuse to fall down and worship the Cobden statue. The British elector has reached the stage at which he can hear the word Protection without fear, and pronounce it without blushing. If Imperial Preferential Trade does not issue from this election, the chances are that it will emerge fully panoplied from the next.

**Elected Director.** Mr. William McMaster has been elected a director of the Canadian Bank of Commerce. Besides being an exceedingly popular citizen of Montreal, Mr. McMaster is president of the Hamilton Powder Company, vice-president and general manager of the Montreal Rolling Mills Company, Limited, and a director of the Dominion Iron & Steel Company, Limited, and Montreal Telegraph Company.

**Calendars.** THE CHRONICLE has been favoured with a large number of calendars from insurance companies, financial institutions and others, which it hopes to acknowledge in detail next week.

# The Dominion Bank

HEAD OFFICE: TORONTO, CANADA.

Capital Paid up, - - - \$4,000,000  
 Reserve Fund and Undivided Profits, \$5,400,000  
 Assets, - - - - \$59,000,000  
 Deposits by the Public - - \$44,000,000

**DIRECTORS:**

E. B. OSLER, M. P., . . . . . PRESIDENT  
 WILMOT D. MATTHEWS, . . . . . VICE-PRESIDENT  
 A. W. AUSTIN . . . . . R. J. CHRISTIE  
 W. R. BROCK . . . . . JAMES CARRUTHERS  
 A. M. NANTON . . . . . JAMES J. FOY, K.C., M.L.A.  
 J. C. RATON.

**CLARENCE A. BOGERT, - General Manager**

Branches and Agents throughout Canada and the United States.  
 Collections made and Remitted for promptly. Drafts Bought and Sold  
 Commercial and Travellers' Letters of Credit  
 issued, available in all parts of the world.

**A General Banking Business Transacted.**

Montreal Branch: 102 ST. JAMES ST. J. H. HORSEY, Manager

**CAPITAL PAID-UP** . . . . . **RESERVE FUND**  
 \$4,869,000 . . . . . \$5,569,000

# The Royal Bank of Canada

HEAD OFFICE - MONTREAL  
 107 BRANCHES THROUGHOUT CANADA  
 11 AGENCIES IN CUBA

San Juan, Porto Rico. Nassau, Bahamas  
 New York Agency - 68 William Street

**SAVINGS . . . . .** In connection with all Branches. Accounts  
**DEPARTMENT** . . . . . opened with deposits of ONE DOLLAR  
 and upwards. Interest paid, or credited  
 at highest current rates.

## Bank of Nova Scotia INCORPORATED 1832.

**CAPITAL** . . . . . **\$3,000,000**  
**RESERVE FUND:** . . . . . **\$4,400,000**

HEAD OFFICE: HALIFAX, N.S.

**DIRECTORS.**

JOHN Y. PAYZANT, President. CHARLES ARCHIBALD, Vice-President  
 R. L. Borden G. S. Campbell J. Walter Allison  
 Hector McInnes H. C. McLeod  
 General Manager's Office, TORONTO, ONT.  
 H. C. McLeod, General Manager. D. Waters, Asst. General Manager  
 Geo. Sanderson, C. D. Schurman, Inspectors.

**BRANCHES**

Branches in every Province of Canada, Newfoundland, Jamaica & Cuba  
 UNITED STATES: Boston, Chicago, New York.

Correspondents in every part of the World. Drafts bought and sold  
 Foreign and domestic letters of credit issued. Collections on all points

# THE HOME BANK

Of Canada

Head Office - 8 King Street West, Toronto.

Six Offices in Toronto

**BRANCHES IN CANADA**

Alliston	Sunder and	Melbourne
Cannington	Thorncliffe	St. Thomas
Hilberton	Belle River	Tecumseh
London	Everett	Walkerville
Sandwich	Lawrence Stn	

**MANITOBA**  
 Winnipeg Lyleton Neepawa Crystal City

**SASKATCHEWAN**

Sintaluta  
**BRITISH COLUMBIA**  
 Fernie

**JAMES MASON, General Manager.**

# The Metropolitan Bank

Capital Paid Up - - - - \$1,000,000  
 Reserve and Undivided Profits - 1,307,809

HEAD OFFICE - - - - TORONTO

S. J. MOORE, . . . . . W. D. ROSS,  
 President . . . . . General Manager

A GENERAL BANKING BUSINESS TRANSACTED.

# EASTERN TOWNSHIPS BANK

CAPITAL \$3,000,000 RESERVE FUND \$2,000,000

HEAD OFFICE - SHERBROOKE, QUE.

With over SEVENTY-THREE BRANCH OFFICES  
 in the PROVINCE OF QUEBEC we offer facilities  
 possessed by NO OTHER BANK IN CANADA for  
 Collections and Banking Business Generally  
 in that important territory.

BRANCHES IN  
 MANITOBA, ALBERTA and BRITISH COLUMBIA  
 CORRESPONDENTS ALL OVER THE WORLD

# IMPERIAL BANK OF CANADA

DIVIDEND No. 78

NOTICE is hereby given that a  
 dividend at the rate of eleven per  
 cent. (11 p.c.) per annum upon the  
 paid-up capital stock of this institu-  
 tion has been declared for the three  
 months ending 31st January, 1910,  
 and that the same will be payable at  
 the Head Office and Branches on and  
 after Tuesday, the 1st day of Febru-  
 ary next.

The transfer books will be closed  
 from the 17th to 31st of January, 1910,  
 both days inclusive.

By order of the Board.  
 D. R. WILKIE,  
 General Manager.

Toronto, 22nd December, 1909.

# The Sterling Bank

OF CANADA.

Head Office, . . . . . Toronto  
 Montreal Office, . . . . . 157 St. James St

# The Chronicle

**Banking, Insurance and Finance**

ESTABLISHED 1881. PUBLISHED EVERY FRIDAY

R. WILSON-SMITH, *Proprietor.*

GUARDIAN BUILDING, MONTREAL.

Annual Subscription, \$2.00. Single Copy, 10 cents

MONTREAL, FRIDAY, JANUARY 14, 1910.

## THE GENERAL FINANCIAL SITUATION.

In spite of the reduction of its discount rate last week from  $4\frac{1}{2}$  to 4 p.c. the Bank of England secured the bulk of the \$3,300,000 new gold arriving in London on Monday. The current week has seen a further weakening in European money rates generally. In London call money in the market is below the level established a week ago being now  $1\frac{1}{2}$  to 2 p.c.; short bills and three months' bills remain at  $3\frac{1}{4}$  p.c.

Three per cent. and 5 p.c. continue to be the official bank rates at Paris and Berlin respectively. In the former market the open rate is 2 11-16, and in the latter it is  $3\frac{1}{4}$  p.c. With the recent decline the market rate for time bills in Berlin became for the first time in a long while as low as that prevailing in London. It is to be remembered, however, that London has latterly been financing a considerable volume of Canadian, United States, and South American transactions. Indeed at all times the British centre is engaged in world-finance more extensively than either Berlin or Paris. It is said that New York financiers have been borrowing very largely in London in the last two or three weeks; and it may be taken for granted that this accommodation was paid for at satisfactory rates. Well-informed critics in New York have referred to it as being expensive for the borrowers. The point is that if the money market in London is kept at a little higher or stiffer level because of London's loans to foreign and colonial enterprises, it can be assumed that the British lenders are making excellent profits out of the transactions. Of course, it is one of the duties of the Bank of England to see to it that London's liquid capital is not embarked in these or other projects to such an extent as to endanger the general situation.

So far as the coming of cheaper rates in Germany is concerned the other centres will, no doubt,

be relieved that affairs in Berlin are again about down to normal.

The money situation in New York has not so far exhibited the customary January ease. Though it is the middle of the month rates for money are still rather high; and those for 60 day money actually stiffened during the week. Call loans are 3 to  $4\frac{1}{4}$ ; 60 day loans,  $4\frac{1}{4}$  to  $4\frac{1}{2}$ ; 90 day,  $4\frac{1}{4}$  to  $4\frac{1}{2}$ ; and six months  $4\frac{1}{4}$  to  $4\frac{1}{2}$ . Last Saturday the clearing house banks in New York reported a loan reduction of \$14,100,000; and, as it was accompanied by a \$10,400,000 gain in cash, the surplus increased \$11,000,000, and stands at \$14,549,225. The trust companies and non-member state banks reported a large loan reduction also—\$19,600,000, and a cash gain of \$2,000,000. The gain of cash resources came, undoubtedly, from the return of holiday money and of currency from the interior. The loan reduction is supposed to have been brought about largely through the borrowings in London above referred to. As there was also some genuine liquidation of stock market loans, to judge by the course of Wall Street prices during the week, the English lenders would have the satisfaction of knowing that their funds are not being used, so far at least, for the purpose of bringing off a bull movement in stocks.

Call loans in Montreal and Toronto rule at 5 to  $5\frac{1}{2}$  p.c. The stubbornness with which the high interest rates are held in New York has induced the banks to take a stiffer attitude with regard to their loans to the brokers at home.

Apparently the applications to London for capital, emanating from Canadian corporations and governments, during the current year, will again amount to a large total. Cables received this week refer to an issue of £1,000,000 in 4 p.c. debentures by the Grand Trunk Pacific Company—the issue price being  $92\frac{1}{2}$ ; and to an issue through the Bank of Montreal of £325,000,  $4\frac{1}{2}$  p.c. City of Calgary debentures at  $103\frac{1}{2}$ . The Dominion Government is certain to be a heavy borrower. Also several important railway and other corporations are likely to figure prominently as issuers of bonds or other securities. So, unless something happens to greatly upset investment conditions in the United Kingdom, it is likely that through 1910 the banks in Canada will be receiving further important accessions of funds from outside countries. In this connection it is to be remembered that after this week the political situation in Great Britain may be expected to settle down. Probably it will be found that startling or revolutionary changes in the British constitution are not to be apprehended. If that turns out to be the case the British investor can be counted upon to continue his steady support of those Canadian enterprises, the applica-

# Guardian Assurance Company

## Limited, of London, England

Subscribed Capital, \$10,000,000      Paid-up Capital, \$5,000,000  
 Total Assets, over \$30,000,000  
 Deposited with Dominion Government \$500,000.

Canadian Branch: Head Office, Guardian Building, MONTREAL.

**CANADIAN TRUSTEES:**

W. M. Ramsay, Esq. (Chairman)  
 Hon. A. Desjardins - (Deputy Chairman)  
 J. O. Gravel, Esq.      R. Wilson-Smith, Esq.

H. M. LAMBERT, Manager.

BERTRAM E. HARDS,  
 Assistant Manager.

# The LIVERPOOL and LONDON and GLOBE

## Insurance Company

Cash Assets exceed - - - - \$55,000,000  
 Canadian Investments exceed - - - - 4,000,000  
 Claims paid exceed - - - - 250,000,000

Canadian Branch: Head Office, Company's Building, Montreal.

**CANADIAN DIRECTORS:**

SIR EDWARD CLOUSTON, Bart, Chairman  
 GEO. F. DRUMMOND, Esq.      F. W. THOMPSON, Esq.  
 JAMES CRATHERN, Esq.      SIR ALEXANDER LACOSTE

J. GARDNER THOMPSON, Resident Manager

J. W. BINNIE, Deputy Manager



# The Northern Assurance Co. Limited

**"Strong as the Strongest"**

Capital and Accumulated Funds, . . \$49,490,000

Head Office for Canada, 88 Notre Dame Street West, Montreal.

ROBERT W. TYRE, Manager.

**FIRE**

**LIFE**

**MARINE**

**ACCIDENT**

# Commercial Union Assurance Co.

LIMITED, OF LONDON, ENG.

Capital Fully Subscribed : : : : \$14,750,000  
 Life Fund (In special trust for Life Policy Holders) 17,314,400  
 Total Annual Income, exceeds : : : : 21,250,000  
 Total Funds, exceed : : : : 88,850,000  
 Deposit with Dominion Government : : : : 1,118,807

Head Office Canadian Branch: Commercial Union Building, 232-236 St. James Street, MONTREAL.

Applications for Agencies solicited in unrepresented districts:  
 W. S. JOPLING, Supt. of Agencies.

J. MCGREGOR, Manager  
 Canadian Branch

tions of which come to him well recommended by parties possessing his confidence.

With reference to the 1909 wheat crop one of the leading grain dealers of Winnipeg estimated this week that at least 25,000,000 bushels were still in the hands of the farmers of the three western provinces.

### THE CANADIAN BANK OF COMMERCE.

At any time, the proceedings of an annual meeting of the Canadian Bank of Commerce are of widespread interest. Alike at home and abroad the address of the president, Mr. Byron E. Walker, has come to be looked upon as an authoritative horoscope of business conditions pending, as well as a survey of recent developments. And special importance attaches to Mr. Walker's remarks in this first decennial year of "Canada's century." Commenting upon the world's "recovering almost too rapidly" from the stringency of 1907 (in marked contrast to the years following the panic of 1893) Mr. Walker accounts for it in part by the celerity with which the trading nations of the world now act together when a money stringency arises, the continued large production of gold and the fact that there has been no general re-adjustment of prices, and, therefore, comparatively few failures. In the case of Canada, however, he recognizes some additional reasons. We are now fairly well advertised in Europe and still better in the United States, and we represent Opportunity to many of those who have energy out of proportion to their surroundings. This is attracting the immigrant as fast as we can settle him, the capitalist seeking industrial ventures, and, still more, the capitalist seeking securities. It is pointed out that the first of these two classes of capitalists still comes mainly from the United States, and the second from Europe, but it is notable they are not quite so sharply divided as heretofore. With a very large number of new settlers, many new industries and abundant capital, Mr. Walker is convinced that good crops and continued high prices for food stuffs must accelerate our usual rate of progress.

The president referred to the circumstance remarked upon by the general manager, Mr. Alexander Laird, that business recovery had been much more pronounced in the final quarter of 1909 than during its earlier months. Indeed, so far as banking conditions were concerned, the greater part of the year under review witnessed growing accumulation of funds for which there was no corresponding demand—thus accounting for a decrease of \$116,637 in the year's profits of the Bank of Commerce as compared with the figures for 1908. That the difference was not greater was due, as Mr. Laird

pointed out, to the quickening in general trade during the last three months of the year, accelerated by bountiful harvest results throughout Canada. As it was, net profits amounted to over 16 per cent. on the paid-up capital and over 10 per cent. on the combined capital and rest accounts.

A feature of the report exceedingly gratifying to shareholders was the item showing that the sum of \$300,000 had been recovered from assets in connection with which appropriations had previously been made. This sum, added to the ordinary earnings of the year, enabled the management after paying the usual dividend and providing for the annual contribution to the Pension Fund, to write \$419,801.72 off bank premises account, and to carry forward \$722,139.02 in profit and loss account.

This autumn, for the first time, the bank made use of the provisions of the Bank Act amendment of 1908, which empowers the banks during the grain-moving season to issue circulating notes in excess of their paid-up capital to the extent of 15 per cent. of the total of paid-up capital and surplus combined. At the close of the year ending November 30, 1909, the bank's circulation stood at \$10,327,415, an increase of more than \$686,000 over the figures of the previous balance sheet. Mr. Laird pointed out how the wisdom of the provision for additional circulation had been signally demonstrated by the ease with which the necessary circulating medium was provided for the movement of last year's abundant harvest. He expressed the opinion, however, that unless arrangements are shortly made for additional circulation by increase of capital, a situation may arise in which a struggle to reduce the amount outstanding at the end of January to within the limit of paid-up capital will become inevitable, and if this becomes at all general, it is not likely to be accomplished without considerable disturbance to business.

The increase in the bank's deposits during the year amounted to \$25,449,182, the largest annual increase in its history, and an amount exceeding the total of its deposits only eleven years ago. An important part of the year-end total of over \$120,000,000, however, consists of deposits known to be temporary, this class of deposits having probably reached a higher level than ever before. Concurrently with this large increase of deposits, loans increased \$21,500,000, the bank having nearly \$10,000,000 in excess of the figures of last year employed at call or short notice. It also holds \$3,400,000 more cash than a year ago. Total assets closely approach \$150,000,000 in amount, of which over \$65,000,000 are classed as liquid assets—the latter being practically 50 per cent. of liabilities to the public. That current loans and discounts of over \$80,000,000 are more than \$10,000,000 greater than the 1908 showing, clearly



**ONTARIO AND NORTH WEST BRANCH**  
 8 Richmond Street, East. TORONTO

**PROVINCE OF QUEBEC BRANCH**  
 164 St. James St., cor. St. John St., MONTREAL.



**HEAD OFFICE** - - - - - **TORONTO**  
**MONTREAL BRANCH:** Thomas F. Debatin, Resident Secretary, 164 St. James St.  
**QUEBEC BRANCH:** C. E. Sward, Resident Secretary, 81 St. Peter St.  
**WINNIPEG BRANCH:** A. W. Blake, District Secretary, 507-8 McGroevy Block.

# The Yorkshire Insurance Co., Limited.

OF YORK ENGLAND.

ESTABLISHED 1824

RT. HON. LORD WENLOCK, Chairman.

**ASSETS \$11,000,000**

JAMES HAMILTON, Esq., Manager

**FIRE INSURANCE** granted on every description of property at Tariff rates.

**LIVE STOCK INSURANCE.** This Company has a large Live Stock business in England and elsewhere, and is the FIRST COMPANY, licensed by the FEDERAL GOVERNMENT, to transact Live Stock Insurance in the Dominion.

**APPLICATIONS FOR AGENCIES** are invited from responsible persons.

**CANADIAN DIRECTORS.** - Hon. C. J. Doherty, Alphonse Racine, Esq. G. M. Bosworth, Esq.

Canadian Manager, P. M. WICKHAM, Montreal

## The WESTERN

ASSURANCE COMPANY

Incorporated in 1857

ASSETS, : : : \$3,130,384.82  
 LIABILITIES, : : : 887,495.86  
 SECURITY to POLICY-HOLDERS, 2,242,888.96

LOSSES paid since organization of Company . . . . \$51,014,051.79

**DIRECTORS:**

Hon. GEO. A. COX, President  
 W. B. BROCK and JOHN BOSKIN, E.C. LL.D.  
 Vice-Presidents

W. B. MEIKLE, Managing Director.  
 ROBT. BICKERDIKE, M.P.

D. B. HANNA Z. A. LASH, K.C.  
 ALEX. LAIRD GEO. A. MORROW  
 AUGUSTUS MYERS FREDERIC NICHOLLS  
 JAMES KERR OSBORNE Sir HENRY M. FELLATT  
 E. W. COX E. E. WOOD

**HEAD OFFICE, TORONTO**

FOUNDED 1792

## Insurance Company of North America

PHILADELPHIA

CAPITAL, . . . . \$3,000,000  
 ASSETS JANUARY 1, 1909, . 12,006,988  
 LOSSES PAID, . . . . 145,000,000

**ROBERT HAMPSON & SON**

General Agents for Canada, MONTREAL.

## Union Assurance Society

— MERGED IN THE —  
 Commercial Union Assurance Co., Ltd. of London, Eng.  
 Total Funds Exceed - \$86,250,000. Security Unexcelled

... CANADIAN BRANCH : ...  
 Corner St. James & McGill Streets, -:- Montreal  
 T. L. MORRISSEY, Manager.

JANUARY 14, 1910

evidences the industrial and commercial expansion that is now well under way throughout the Dominion.

The growth of the Bank of Commerce during the past ten years affords one of the most convincing indications of the country's financial and commercial development. At a glance, it has been as follows:

Year.	Paid-up Capital.	Res.	Assets.	Rate p.c. earnings on Cap.	Prop. p.c. rest to cap.	Year-end price of Stock
1899.	\$ 6,000,000	\$1,000,000	\$ 39,682,786	9.05	16.66	144
1904.	8,700,000	3,500,000	91,055,798	12.97	40.23	166
1909.	10,000,000	6,000,000	148,998,482	16.12	60.00	196

In view of the solid up-building accomplished, and the present outlook, the general manager announced to the shareholders at Tuesday's annual meeting that the directors purpose recommending during the coming year an increase of dividend from 8 per cent. to 9 per cent. per annum, with the expectation of a further increase in the not distant future. In speaking of the bank's increasing prosperity, Mr. Laird paid a hearty tribute to the services rendered the bank by its entire staff.

In older as well as in newer centres the bank's growing business has necessitated considerable building activity. During the past year its St. James St. banking-house in Montreal was completed, and Mr. H. B. Walker now directs the bank's increasing metropolitan business from a building as conveniently equipped as it is architecturally perfect.

Referring to the bank's policy in the matter of its Premises Account, the general manager stated that investments valued at \$4,824,000 are conservatively shown in the balance sheet at only \$2,000,000.

**BANK OF NOVA SCOTIA.**

Continuance of steady growth in strength and resources marked the course of the Bank of Nova Scotia during the twelvemonth ending December 31st, 1909. And, at the same time, the bank's profits for the year somewhat exceeded those of 1908, despite the monetary ease that ruled during the greater part of 1909. Net profits for the year, after provision for bad debts, etc., amounted to \$604,123—the balance carried forward into 1910, after allocation, being \$44,865.

As compared with a year ago, the bank's total assets of \$48,359,366 show an increase of over \$3,500,000. This practically corresponds to the gain in the item of "notes and bills discounted and current," which now stands at \$17,808,529—indicating that the Bank of Nova Scotia has played its part in the general business expansion experienced by Canada during recent months. And such is the present strength in liquid assets, that accommodation to growing commercial needs as they arise can be extended very materially by this institution. Readily available assets total \$26,121,236—or well into 70 per cent. of liabilities to the public.

The rest fund was further increased by \$100,000 during the year, and amounts now to \$5,500,000, the paid-up capital still remaining at \$3,000,000. Upon the latter sum the year's profits were 20 per cent.,

amply justifying the dividend rate of 12 per cent. which the bank pays.

In Montreal, the bank's business grows steadily in importance under the local management of Mr. W. P. Hunt. While the activities of the Bank of Nova Scotia are being gradually extended throughout Canada, they cover a foreign field as well, through organized branch systems in Newfoundland and the West Indies.

As in the preceding two years, the bank's balance sheet bears the certificate of two chartered accountants of Edinburgh; and, as last year, it may be remarked in passing that their signatures will be considered by many as superfluous, when appended to a statement signed by so competent and conservative a general manager as Mr. H. C. McLeod has proved himself to be.

**EXTERNAL EXAMINATION OF BANKS.**

In this our reply to Mr. McLeod's third letter, which appears on another page of to-day's CHRONICLE, we would draw attention again to the list of eleven banks that have gone out of existence in the past seven years. Six of these banks were merged, four suspended payment, and one went into liquidation. Now for the sake of argument, let us allow that the Sovereign's case was one of failure, and let us go back a little further and take the list of failures for thirteen years. There are six in the list—Ville-Marie, Yarmouth, Ontario, Sovereign, St. Jean, and Ste. Hyacinthe. An examination of these names discloses the fact that two-thirds of the failures in this period represented the passing of a type of bank which is not suited to Canadian conditions and which cannot now be created.

Mr. McLeod knows very well that small local banks of this kind find it difficult to compete with the large branch concerns. He knows, too, that the pressure of this competition has been driving them into mergers and that it has played its part in bringing them to suspension. These banks are not representative Canadian banks. They are rather a foreign type; and we scarcely think it a fair argument to cite the numbers of them that have fallen, as a criticism of Canadian banking institutions as they stand to-day or as they will be five or ten years hence. Of the 22 banks that have failed since Confederation some 15 belonged to this type. We think this fact destroys the force of the comparison which Mr. McLeod institutes between Canada and the States. We think the question as to how many of them would have failed had there been external audit of the kind suggested, one on which great variety of opinion might exist. The reference in The Gazette, of Montreal, on the 7th inst., to the case of the Law Guarantee & Trust Society of England, a concern which had a paid-up capital of £1,200,000, and the shares of which were quoted at a premium of 100 per cent., and which has now confessed to the loss of its entire capital and £200,000 besides, looks at this distance like a bad blow to the cause of external audit of banks in Canada. For the company's balance sheets were regularly audited by auditors of undoubted standing. The trouble

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ROBERT CHAPMAN,  
General Manager.

JAMES GOWAN,  
Fire Manager.

LANSING LEWIS,  
Canadian Manager.

J. G. BORTHWICK,  
Canadian Secretary.

Head Office for Canada, Montreal.

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was that the auditors did not concern themselves about the realizable value of the assets to which they certified. And, we might ask, how could accountants or auditors in Canada pass intelligently at the head office upon loans and discounts to commercial borrowers in every part of the Dominion?

In his pamphlet and in his letters Mr. McLeod makes it an important point that the bankers in the United Kingdom and in Australia make use almost universally of the independent audit. We referred in our article of December 31st, to the difference in the laws and practice regarding statements prevailing in Canada and in these countries. In Great Britain and Australia the banks publish statements of position only at long intervals. Some publish half-yearly, others quarterly, and a few monthly. Their statements are lacking in details; for example, they will bulk in one total "Cash on hand, at call and in the Bank of England." So there are only a few headings in their statements. Furthermore the statements are not made to government or to any authoritative body; they are merely published in the press. There is no legal penalty provided for wilful misstatements. We contend that for statements of this kind—mere sketches as they are, issued at long intervals, and not to a responsible authority—the certificate of outside auditors might be properly affixed, but at the same time every banker would know that the certificates had value with reference to only a part of the balance sheet and that they were not of great moment in regard to the current loans and discounts.

In Canada it is different. The law is more strict than in any other country. Each bank must specify exactly all its assets and all its liabilities under some forty different heads. The statements are to be made to the government itself once every month; and, as we said before, a prison penalty attaches to wilful misstatements. In spite of what Mr. McLeod says we think these monthly returns and the penalties provided for falsehood in them, are a restraining influence upon gross misrepresentation. Charles McGill is in the Kingston penitentiary; Roy, of the St. Jean is in St. Vincent de Paul. That law regarding false statements is no dead letter. Every general manager in the country has it in mind, we venture to say, at least twelve times a year, on the occasion of signing the monthly return.

True a bank may not progress far toward ruin in one year if the cause of disaster be in the loans and discounts, but if it is defalcation it can be ruined in a day or two days. Mr. J. B. Forgan of the First National Bank of Chicago, a graduate of Mr. McLeod's own Bank of Nova Scotia, in referring to the system of examination practised by the Chicago Clearing House, a system by the way much more thorough than the United States Government examination, admitted in his address to the Michigan Bankers' Association last summer, that their examiner "went in with the key—so far as supervision was concerned—the key to lock the stable door after the horse is gone." So when a bank is ruined by defalcation the appearance of the outside examiner is the signal for the flight of the culprit; it does not save the bank.

Mr. McLeod says he did not feel the force of public opinion at the time of the Ontario failure, but the remainder of that paragraph in his letter implies that the other banks did. Also we note that he does not deal with the point which we raised in our last article, viz.: that the institution of an audit by the Bankers' Association would have almost the force of placing the banks under a scheme of mutual guaranty of deposits without giving them adequate protection for that responsibility. We think this an important objection to his plan, one calculated to ruin it unless explained away or answered.

We note that Mr. McLeod claims that an overwhelming majority of opinion amongst bank shareholders is in favour of a strict supervision of the banks. Very well then, if that is the case it is to be expected that at the coming annual meetings the stockholders of the various banks will influence their directors to institute systems of supervision. We think the shareholders and directors of each bank should have such a system as they consider necessary to make them feel that their affairs were in safe and sound condition. But we deprecate the course of trying to make the matter a political question.

#### EXTERNAL EXAMINATION OF BANKS.

Communication from H. C. McLeod, Esq., General Manager of the Bank of Nova Scotia.

To the Editor of THE CHRONICLE:

Referring to the article in your issue of 31st of December, as we are in accord with regard to the United States systems not only as to their imperfections but as to the necessity for external examination, which was admitted in your article of December 17th, we need now consider them only in estimating the value of outside supervision. The rest is irrelevant. In most features save external examination the United States National system is greatly inferior to the Canadian system, and taken as a whole the systems of the various States are not the equal of the National system. If our system is better, the average stability of our banks should show superiority by every measure of comparison, but statistics of failures show that there is a disparity of about seven to one according to number and four to one according to capital. I contend that external examination will put the stability of our banks where it ought to be; on a plane infinitely higher than that of the national system and closely approaching that of Scotland. Opponents say in effect, that plane is not accessible to us; that the opinions and experience of all the bankers in Christendom are as nothing compared with the view of the majority of Canadian bankers. I submit that their position is wholly untenable.

To Scotland we should always turn for inspiration with regard to branch banking, and your suggestion that we should look to that country and to England to learn a little has my hearty concurrence. I would also include Ireland and Australia. In all these British countries external audit prevails. If the weight of banking opinion and of banking records in these countries is educative,

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Index to Dominion and Provincial Statutes giving Public and Private Acts before and after Confederation, down to and including the Revised Federal and Provincial Statutes of 1909.

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what conclusion must we reach on the subject of the desirability of independent supervision?

While I think fraudulent failure the chief cause of the diminution of Canadian banks, we may reach agreement by substituting the words "one of the chief causes." So the Sovereign Bank did not fail! Liquidation! A smooth sounding term well adapted to give the impression of a wholly voluntary action. The Sovereign must remain in the list of failures; unless the people are to be hoodwinked by inappropriate synonyms.

The great bank you mention and several others of our leading banks should grow in strength and importance under almost any circumstances; but in saying this the opinion is not modified that all banks should be examined; the well managed from the standpoint of example; the others to the economical advantage of the community.

Possibly, there would not have been any failures in Scotland for thirty years past without the audit system. There have been no failures with it; and by going back further we may assume with equal assurance that the Western Bank and the City of Glasgow Bank would not have failed if the system of audit had been in vogue before the management got into wrong channels. We must, however, deal with the facts as we find them recorded.

The withdrawal of the privilege of note issue would further handicap a new bank attempting to establish. The same handicap applies to Scotland and Ireland, but I believe new banks have been established in the latter country since 1844, the date of Peel's Act.

We would better not discuss the value of the monthly returns of Canadian banks further than to say that they have had no restraining influence on the banks that have failed, and I believe that in every such case they were falsified or incorrect. In these circumstances, it must be admitted that they do not take the place of external examination.

No, we did not feel the force of public opinion at the time of the Ontario Bank failure. The Bank of Nova Scotia persisted for a month or so in its refusal to join; giving its guarantee later, impelled thereto by a desire to take its share of the burdens assumed by the banks for the prevention of a crisis.

An audit of the Head Office once a year is satisfactory in Great Britain. Usually a bank does not progress far towards ruin in one year, particularly if there is an audit in view at the end of it. The experience of the Bank of Nova Scotia with auditors, as well as with the Commissioner of Banking of Massachusetts who has examined the Bank, is that the parties are quite competent to pass on loans and investments. Indeed the Commissioner referred to has lately been called to the Vice-Presidency of one of the oldest banking corporations in New York.

Directors having failed to adopt outside examination, the subject should be dealt with by shareholders and depositors. I may say that the best evidence obtainable, and I have taken considerable pains to obtain evidence, appears to indicate that, outside of directors of banks, shareholders are practically unanimously in favor of strict supervision of banks. Further, as a rule they express themselves very strongly on the subject. This

being so, and the opinions of the bankers of the world being in favour of examination, who in Canada should object?

H. C. McLEOD.

Toronto, January 5, 1910.

**BANK INSPECTION.**

170 Broadway, New York, Jan. 6, 1910.

To the Editor of THE CHRONICLE:

Sir:—

As a graduate of the Scottish and Canadian banking system and with a personal knowledge of the National and State Banking systems of the United States, I have read with considerable interest your editorials in connection with Mr. McLeod's correspondence on the above subject.

If Mr. McLeod knew more of the practical working out of the United States Federal and State Banking examinations, his letters would scarcely have been written; as examinations they are of no benefit whatsoever and have never discovered anything until after the event.

State supervision and examination of banks and insurance companies in the United States is a "delusion and a snare" and does more harm to the body politic than it does good, as the public rely upon it rather than exercise their own judgment.

Yours truly,

STEWART BROWNE.

**INSURANCE INSTITUTE OF MONTREAL.**

**Property Waste from Fire, and Mortality Waste from Tuberculosis Formed Subjects for Discussion.**

Direct fire losses averaging over one-quarter billion dollars per annum have been suffered by the United States and Canada during the last five years. The total for 1909—which was, comparatively speaking, a "fortunate year"—reached nearly \$204,000,000, of which Canada's loss account made up about \$19,000,000. Any movement tending to lessen this constant drain upon the country's resources is worthy of all possible encouragement, and the Insurance Institute of Montreal will perform a public service in distributing widely in printed form (as it proposes doing), the address delivered before it on Monday evening of this week, by Hon. James V. Barry, Insurance Commissioner for the State of Michigan. Fire Waste was the brief and pointed subject of Mr. Barry's address.

"Every fire, however, small, wipes out some of our natural resources, for property destroyed by fire is gone forever," declared Mr. Barry. "The average fire loss per capita annually in Europe is 33 cents, while in Canada and the United States it is over \$3."

**Fire Losses, Direct and Indirect.**

It was pointed out that fire loss is felt in other ways than that merely of the value of property actually destroyed. For instance, vast amounts of capital are locked up in expensive fire apparatus, in the maintenance of the brigades, and the conducting of insurance companies. Altogether, directly and indirectly, Mr. Barry would estimate the

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JOHN. F. DRYDEN, President. Write for Agency  
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ASSETS - \$5,303,236 INCREASE \$749,392  
RESERVES - 4,055,540 INCREASE 597,494  
NET SURPLUS 627,519 INCREASE 149,306

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loss by fire annually experienced by the United States and Canada as over \$450,000,000.

"It is a national shame," the speaker added, "that is little short of criminal, that we should permit those values to be destroyed without rising in our wrath to put an end to it."

In the matter of fire, an ounce of prevention is better than a pound of cure, and the adoption of proper preventive measures would render unnecessary the expenditure of large sums of money expended in fire-fighting facilities. Mr. Barry believes that the government should set in motion every agency that would contribute in any appreciable degree to the prevention of fire.

The true function of fire insurance is that of an indemnity for loss. It should not be allowed to become a premium on the destruction of property. The company which fails to collect an adequate rate is a menace to the public. Mr. Barry would suggest that companies should come together to endeavor to agree upon some scheme of classification. The expense question further required some attention. In the United States commissions as high as 30 and 40 per cent. had been paid to agents, and this, the lecturer thought, was an unwarranted proceeding.

Mr. Barry urged that the government should extend its authority to the enactment of laws governing the construction of buildings, the installation of heating and lighting plants, the use of combustibles of all kinds, the storing of explosives or combustible materials, the protection of forests, etc. Laws should be passed dealing with carelessness and negligence, and the criminal should be punished.

**The Toll taken by Tuberculosis.**

Following Hon. Mr. Barry's address, Col. Jeffrey H. Burland spoke interestingly on the relation of tuberculosis to life insurance, pointing out that it had the heaviest mortality of any disease. It mattered not, he affirmed, that the insurer was healthy and free from the disease when examined; he might get it at any time thereafter and die quickly.

Col. Burland said that in Canada, with her 7,350,000 population, and 125,000 deaths during the past year, no less than 10,625 of these were in all probability from tuberculosis, while 106,250 persons in Canada were ineligible for life insurance through having this terrible disease. Col. Burland, therefore, considered it in the interests of the insurance people to support the various tubercular institutions to the best of their ability.

Miss Kate Hemming, contralto, and Miss Anita Allen, celliste, by their musical selections contributed greatly to the enjoyment of the appreciative audience which had assembled in the Ladies' Ordinary of the Windsor Hotel. The chair was occupied by Mr. George H. Allen, president of the Institute. In moving a vote of thanks to Hon. Mr. Barry, Mr. R. McD. Patterson suggested that the address be printed and circulated widely. This was seconded by Mr. T. L. Morrisey, and it is intended that copies shall be sent to civic officials, boards of trade, underwriters, and legislators throughout the Dominion. Mr. T. B. Macaulay proposed a vote of appreciation to Col. Burland, seconded by Mr. B. Hal Brown.

**FIRE INSURANCE RESULTS OF THE YEAR.**

**Authoritative Survey of Canadian Events and Developments by a Leading Underwriter.**

Canada's property loss by fire during 1909 totalled about \$19,000,000—some \$10,000,000 less than for the year 1908, according to the estimate given by Mr. W. B. Meikle, of Toronto, in his year-end summing-up for the New York Journal of Commerce. But, as the general manager of the Western and British America Insurance Companies further points out, underwriters carried more of the destroyed property in 1909 than they did in the previous year, when the conflagrations at Three Rivers, Que., and Fernie, B.C., and two other small towns destroyed a great deal of uninsured property. Hence the fire companies will not benefit by the reduction in total fire waste in anything like the same ratio. The premiums will not show a normal increase, as very considerable reductions in rates have been granted in some of the principal cities, as well as in about 100 towns in the Province of Ontario, for improved fire protection. In one of the important cities—Winnipeg—the reduction was retroactive, and considerable rebates in cash were paid out. The average loss ratio of the fire companies reporting to the Ottawa authorities was 60.3 per cent. for 1908 and, the loss ratio for the past year may run about 50 per cent. for the companies reporting to the Dominion Government.

**Important Canadian Fires during the Year.**

While there were no Canadian conflagrations during the year, there occurred many fairly heavy fires, those with losses of \$100,000 or over being summarized by Mr. Meikle as follows:

Jan. 8	Grain elevator, Vancouver, B.C.	\$150,000
Jan. 18	Casket factory, London, Ont.	100,000
Jan. 28	Garage, Montreal, Que.	100,000
Mar. 3	Shops & dwellings, Sorel, Que.	130,000
Mar. 23	Pacific Club & shops, Victoria, B.C.	275,000
May 6	Sawmills, Barnet, B.C.	200,000
May 22	Saw and lead works, Montreal, Que.	150,000
June 7	Sawmill, Vancouver, B.C.	175,000
June 9	Planing mill, corset factory, dwellings, etc., Quebec, Que.	100,000
June 9	Button works, Berlin, Ont.	200,000
June 17	Saddlery factory, Winnipeg, Man.	150,000
July 2	Dwellings stores, etc., Cobalt, Ont.	100,000
Aug. 10	Amusement resort, Toronto, Ont.	100,000
Aug. 15	Retail store and dwellings, Coal Creek, B.C.	300,000
Aug. 21	Tudhope Carriage Co., Orillia, Ont.	150,000
Aug. 28	Hardware warehouse, Winnipeg, Man.	200,000
Sept. 1	Parliament Buildings, Toronto, Ont.	200,000
Sept. 19	Lumber, Midland, Ont.	350,000
Oct. 1	Lumber, Midland, Ont.	150,000
Oct. 12	Electric light and water works plant, shoe factory, Aylmer, Que.	750,000
Oct. 16	Grain Elevator, storehouses and custom house, Quebec, Que.	120,000
Dec. 9	Furniture warehouses, Winnipeg, Man.	

The class of fire risks standing out as the greatest losing one to the companies for the year is the lumber yard risk, and in this respect Canadian underwriters share in the disappointment over this class with underwriters in the United States. The experience of lumber yards in Canada over a period of years reveals varied results: Some companies declare it profitable, most find it a doubtful item in their business, and some with a large volume of it on their books admit that it has been a losing proposition to them.



## NORTH AMERICAN LIFE ASSURANCE COMPANY.

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 W. B. TAYLOR, B.A., LL.B. Secretary.

1 9 0 8 .	
Total Cash Income.....	\$1,337,078.28
Total Assets.....	9,590,638.09
Net Surplus.....	876,214.15
Payments to policyholders.....	654,991.05
Insurance in Force.....	40,340,091.00

For information respecting Agency openings write, T. G. McCONKEY, Supt. of Agencies

## SUN LIFE      ASSURANCE      OF CANADA COMPANY

AT 31st DECEMBER, 1908.

ASSETS - - - - -	\$29,238,525.51
SURPLUS over all Liabilities & Capital, Hm. 3½ & 3 per cent. Standard	2,596,303.95
SURPLUS, GOVERNMENT STANDARD	4,118,491.91
INCOME 1908	6,949,601.98
ASSURANCES IN FORCE	-119,517,740.89

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has many good openings  
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Head Office: 164 St. James Street, Montreal

### METROPOLITAN LIFE INSURANCE COMPANY OF NEW YORK.

(Stock Company.)

Assets.....	\$236,927,000
Policies in force on Dec- ember 31st, 1908.....	9,960,000
In 1908 it issued in Canada Insurance for.....	\$16,812,000
It has deposited with the Dominion Government, exclusively for Canadi- ans.....	\$5,500,000

There are over 300,000 Canadians insured in the  
**METROPOLITAN.**

Home Office: 1 Madison Ave., New York City.

### The Home Life Association

OF CANADA

Incorporated by Special Act  
of Dominion Parliament.

**Capital \$1,000,000**

Agents Wanted in  
Unrepresented Districts

PRESIDENT  
HON. J. R. STRATTON  
MANAGING DIRECTOR  
J. K. MCCUTCHEON



HEAD OFFICE  
Home Life Bldg., Toronto

**Growing Expenses of the Business.**

The expense of the fire insurance business generally is a growing one, and to Mr. Meikle there seems little hope of any economies in this direction. Rising commodity prices and the consequent increase in "cost of living" must effect the fixed expenses of insurance companies as well as of manufacturing and commercial business—a point which the general public overlooks entirely. The average expense to fire companies in Canada has risen very considerably during the last twenty-five years. At the present time it is Mr. Meikle's view that very few companies can congratulate themselves on a lower cost than, say, 34 per cent. on their net premium income, this calculation allowing only 2½ per cent. for the head office expenses for British and American companies, but, on the other hand, crediting a fair profit on the commission item from the re-insurance given away in bringing down the gross premiums written to the actual net premiums retained.

**Forty Years' Record of Fire Insurance.**

The record of the fire insurance business in Canada covering the period of forty years over which returns are available from the published reports of the Insurance Department at Ottawa is a most disappointing one and brings out an actual loss according to Mr. Meikle's reckoning:

Premiums paid in 40 years—1869 to 1908, inclusive.....	\$263,691,002
Losses paid during that period (65.08%)	\$171,619,142
Expenses and taxes at 31½%.....	\$2,614,390
	<u>254,233,532</u>
	\$9,457,470

Reserve for unearned premiums of all Dominion licensed companies as per 1908 returns (72.2% of Premiums).....	\$12,293,692
Less reserve provided for in 1869 at same percentage.....	1,289,159
	<u>11,004,533</u>
	\$1,547,063

Underwriting loss in 40 years.....

The expense ratio of 31.33 per cent. is the actual experience of several companies for their Canadian business during the last 40 years. It has increased by about 1 per cent. for each successive decade of this period.

**Improvement in General Conditions.**

The opinion is expressed that there is much room for improvement in Canadian fire brigades. Several of the heavy fires of the year should have been better handled, with less loss to the fire companies and the general public.

The inferior construction of the cities in Canada in their early days led to frequent conflagrations, but as the price of lumber has advanced brick and stone buildings have become more general, and, coincident with this, the larger cities have laid down regulations defining "fire limits." The fire insurance companies are largely responsible for these improvements; not only do they advocate a better standard of buildings and increased fire protection, but they are always ready to grant reductions in rates for any improvements. The serious conflagrations even in such small towns as Three Rivers, Que., and Fernie, B.C., have resulted in all companies scrutinizing their aggregate lines to a very noticeable extent, and it is only fair in this connection to remark that conservative and careful underwriting has been the policy of prac-

tically every company operating in Canada during 1909.

**Question of Overhead Writing.**

Considerable discontent on the question of overhead writing exists among country agents. The rating schedule is too complicated for agents to whom fire insurance is only a side line of business, and brokers in the leading cities naturally take advantage of the situation. The agents are organizing in the Province of Ontario, and may in course of time be able to secure reform.

But to this, self-reform and self-education on the part of many local agents are prerequisites.

**Efforts to Check Unlicensed Competition.**

During 1909 there has been quite an influx of companies with headquarters in the United States seeking to do business only in one or two provinces, and also a number of Canadian companies have been organized in the various provinces; of these only one has taken out a Dominion license.

But the outstanding feature in the fire insurance situation in Canada during the year, according to Mr. Meikle, has been the very serious inroads made in the business of the regularly licensed companies by Lloyds (both English and American) and by unlicensed American companies.

This has become a vital question with companies licensed to do business in the Dominion and with their agents, as it is reasonably contended that companies which maintain very large deposits at Ottawa, are under strict regulation, pay taxes in the Dominion and provide employment for a large number of persons throughout Canada should not be exposed to illicit competition from underground sources.

**ROYAL BANK OF CANADA.**

**Growth in Bank's Operations during the Twelvemonth.**

By its issue of new stock during the past year, the Royal Bank of Canada has put itself in line with Canada's general movement towards business expansion. The paid-up capital is now \$5,000,000 as compared with \$3,900,000 formerly. Backed by a rest fund of \$5,700,000 the bank's position is a notably strong one.

Net profits for the year 1909 were \$838,306—a gain of \$100,000 over the 1908 showing. Upon such a result the general manager, Mr. E. L. Pease, is certainly to be congratulated. The rate earned on average capital for 1909 was somewhat over 18 per cent. After providing for dividends of 10 p.c., the directors wrote \$200,000 off bank premises account, and devoted \$25,000 to officers' pension fund. The remainder added to the previous year's profit and loss balance brought up the total of undivided profits to \$228,394. The bank's increasing activity during 1909 was indicated by a growth of nearly \$7,000,000 in loans and discounts. Deposits increased by over \$13,000,000 and now total well over \$50,000,000. Assets aggregate more than \$67,000,000, of which nearly \$31,500,000 are of the readily available class, being well over 56 per cent. of liabilities to the public.

Shareholders cannot but find the fortieth annual statement of the Royal Bank of Canada, appearing elsewhere in this issue, a highly satisfactory document.

... ESTABLISHED 1825. ...

## The Standard Life Assurance Company.

OF EDINBURGH, SCOTLAND.

HEAD OFFICE FOR CANADA : MONTREAL.

INVESTED FUNDS	. . . . .	\$60,000,000
INVESTMENTS UNDER CANADIAN BRANCH	. . . . .	17,000,000
DEPOSITED WITH CANADIAN GOVERNMENT AND GOVERNMENT TRUSTEES, OVER	- - - . . . . .	7,000,000
ANNUAL REVENUE	. . . . .	7,500,000
BONUS DECLARED	- . . . .	35,000,000

W. H. CLARK KENNEDY, Secretary

D. M. McGOUN, Manager for Canada.

## Royal Insurance Company Ltd.

LIFE DEPARTMENT.

### LIFE AGENTS.

ALL or PART-TIME writers may secure desirable contracts for Agencies at various points throughout Canada by communicating with:—

A. R. HOWELL, Superintendent,  
LIFE DEPARTMENT, ROYAL INSURANCE COMPANY, LIMITED,  
MONTREAL, QUE.

## QUEEN INSURANCE COMPANY.

FIRE INSURANCE ONLY—ABSOLUTE SECURITY.

WM. MACKAY, Manager.

J. H. LABELLE, Assist. Manager

## The Federal Life Assurance Company

Head Office, . . . Hamilton, Canada.

CAPITAL AND ASSETS	. . . . .	\$4,184,856.65
PAID POLICYHOLDERS IN 1908	. . . . .	303,743.23
TOTAL ASSURANCE IN FORCE	. . . . .	20,128,400.61

MOST DESIRABLE POLICY CONTRACTS.

DAVID DEXTER, President and Managing Director,

H. RUSSEL POPHAM, Manager, Montreal District.

## From Across the Line.

### NEW YORK INSURANCE LETTER.

Review of the Past Year's Happenings—Rehabilitation of the Phenix by Amalgamation with the Fidelity—Changed Control of Equitable Life—Underwriting Problems for 1910—Special Correspondence of THE CHRONICLE.

Sensations have not been wanting in the insurance world in the Metropolis during the past month or so, and it may be profitable to make a summary of the outcome of some of the important events which have happened during the past four weeks.

The news of the disclosures as to the Phenix Insurance Company of this city, involving the fall from rectitude of its president and several other officials, came like a thunder-bolt from a clear sky. The Phenix has always been regarded as one of the strong companies, although it has been a free writer and has not accumulated surplus as rapidly as some other companies of its size. Prompt action after the San Francisco fire averted serious disaster to the company. It was found, or charged, that President Sheldon had diverted some of the funds of the company to his own purposes, and also that several examiners of the State Insurance Department had practically been bribed not to make an investigation into its affairs. During the time of these developments President Sheldon was very ill, and, perhaps fortunately, and certainly mercifully, he died without knowing that he had been deposed from the presidency, or that he had been indicted for alleged offences in connection with the Phenix.

Through prompt action of the directors, Mr. Henry Evans, president of the Continenta and the Fidelity, was at once put in charge of affairs and the Phenix has now been amalgamated with the Fidelity under the title of The Fidelity-Phenix. It was understood that the policy of the company will now be dominated by those who control the great interests of the Continental and Fidelity. Mr. Evans is a very striking character in fire insurance in this state and country, and while he has not always been popular with his fellow underwriters, his success has been so marked that there can be little doubt of the safety of the interests of the Phenix policyholders under the new arrangement. As vice-president and underwriting manager, Mr. Henry E. Hess, for many years manager of the New York Fire Insurance Exchange, has been chosen. Mr. Hess is himself well versed in fire underwriting matters, although he will doubtless be controlled by the Evans policy.

The troubles of the Phenix have made so great a sensation that there has been talk of wholesale and general examinations of other fire insurance companies, it being thought possible that similar conditions exist elsewhere. There is little likelihood that this policy will be pursued, although it is probable that no company will again be allowed to go nearly a quarter of a century without investigation.

#### J. P. Morgan's Acquisition of the Equitable.

Another sensation in the insurance world has been the acquisition of the stock of the Equitable from the owner, Thomas F. Ryan, by the great

financial house of J. Pierpont Morgan & Company. Much speculation has been indulged in as to what will be the outcome of this change, but nothing definite has so far been evolved. It is likely that for the present the same officials will continue to serve the Equitable, though there is little doubt that in time a president will be chosen for the great Society, in accordance with whatever plans Mr. Morgan and his associates may have in mind. In any case, there is no doubt whatever of the continued safety and conservation of the interests of Equitable policyholders. If, as freely predicted, Mr. Geo. W. Perkins, ex-vice-president of the New York Life Insurance Company, should become president of the Equitable, it will doubtless result in a more vigorous management and a return of the tremendous activity which once marked the operations of the Equitable Society.

The transition which men call death, has claimed all that was mortal of John H. Washburn, ex-president of the Home Insurance Company, and vitally interested in its affairs for many years. Mr. Washburn died on the 23rd ult., at the ripe old age of 81. He was a strong man, and not only his personal ability but also his connection with one of the great fire underwriting corporations caused him to be looked up to and asked for counsel and advice on all fire underwriting matters of importance for many years. Mr. Washburn was not unknown in Canada, and there, as here, his passing away must be regarded merely as the gathering of a ripe sheaf of wheat.

#### Forthcoming Annual Reports.

All interest is now centered on the prospective annual reports of life and fire insurance companies. Your correspondent cannot dwell at length upon this subject except to say, that the prospects are all for favorable statements, as there has been no large conflagration during the past year and life insurance conditions are gradually returning to a normal state. The probability is that the reports will show that fire insurance surpluses have been largely increased and that a condition of health generally exists.

Surplus in life insurance has come to mean less than it formerly did, especially with companies of the State and of New York, because most of them are paying out more largely in dividends, and some do not report under the term of "surplus" at all. There is, however, no failure in strength, although owing to the hampering conditions of the life insurance laws, there is a growing contest for supremacy in influence between the companies of the East and of the West. We shall write further concerning this phase of the life insurance business. Many problems of interest to the life insurance companies will be taken up and discussed at the coming meeting of the Association of Life Insurance Presidents to be held in Washington on the 10th and 20th insts., and it is expected that a number of Canadian representatives will lend their support by their presence and the expression of their experience in dealing with the tax question and other problems in some of the provinces of Canada.

QUERIST.

New York, January 12, 1910.

## A GOOD COMPANY

**FOR MEN TO INSURE IN AND FOR AGENTS TO REPRESENT**

The *Oldest and Strongest* Life Assurance Company in Canada, having a clean record of sixty-two years.

Over \$123,000,000 business in force. Assets \$37,000,000. Since its inception the Canada Life has paid or credited to Policyholders \$9,500,000 more than they have paid in.

Canada Life Reserves are far stronger than is required by the Governments of Canada or the United States.

Policies are Profitable.

Guarantees are Liberal.

For Information as to New Insurance or Agency Contracts, address:

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### DESIRABLE VACANCIES

## THE EXCELSIOR LIFE INSURANCE COMPANY

has openings for

**PROVINCIAL MANAGER  
TWO INSPECTORS**

**A number of General and District  
Agents**

Liberal contracts will be given to gentlemen possessing requisite qualifications, which must include ability for organising and procuring new business. Apply:

Head Office: EXCELSIOR LIFE BUILDING, TORONTO

## THE MUTUAL LIFE

Insurance Company of New York

**OLDEST  
IN  
AMERICA**

**STRONGEST  
IN THE  
WORLD**

Largest Margin of Assets in  
Excess of Legal Liabilities.

No Company more Economically  
Managed to-day.

No other Company has, by  
increasing its scale of annual dividends four years in succession (1906, 1907, 1908, 1909), reduced premium payments so rapidly.

For terms to producing agents address:

**GEORGE T. DEXTER, 2nd Vice-President**  
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## Union Mutual Life Insurance Co.

Of Portland Maine.

**FRED. E. RICHARDS, President.**

Accepted value of Canadian Securities held by Federal Government for protection of policyholders, \$1,206,576.

All policies issued with Annual Dividends on payment of second year's annual premium.

Exceptional openings for Agents, Province of Quebec and Eastern Ontario.

Apply to

**WALTER I. JOSEPH, Manager,**  
151 St. James Street, Montreal.

## THE GENERAL ANIMAL INSURANCE CO., OF CANADA

CAPITAL \$500,000 (Federal Charter)

**GENERAL HORSE AND CATTLE INSURANCE**

Stallion Insurance.	Transit Insurance.
Foaling " "	Show Hkks " "
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## THE LIFE AGENTS' MANUAL.

The Twelfth Edition of this publication forms an up-to-date and invaluable Compendium of Canadian Life Assurance information. It contains premium rates and policy conditions of all contracts issued in Canada, together with a world of other information indispensable to office staff and field force alike.  
250 Pages—6½ in x 4½ in—Flexible Leather.

**NOW READY—PRICE \$2.00.**

**THE CHRONICLE, - MONTREAL.**

## Our London Letter.

### BETTER NEW YEAR OUTLOOK.

Market Developments of 1909—Nationalizing of Canals Projected—Activity of Canadian Securities—Insurance Items—Special Correspondence of THE CHRONICLE for Week Ending January 1, 1910.

We have come to the turn of the year again, and, looking backward for a moment over 1909 those of us who are identified in one way or another with the finance and commerce of London can find a good deal for which to be thankful. We have had in the main a good year. Reference was made last week to the fact that from the point of view of members of the Stock Exchange, 1909 has been a distinctly more cheerful year than its immediate predecessors; it remains to be added that despite the clamour and the acrimony of home politics, the investor also has not had a bad time of it. From the excellent monthly summary of Stock Exchange values compiled by The Banker's Magazine, we learn that the list of 387 representative stocks, whose fluctuations in value are watched by that authority, shows an appreciation as compared with a year ago of 73½ millions. True this appreciation is entirely due to the buoyancy of colonial and foreign stocks.

#### Past Year's Developments.

Our Consols have this year fluctuated between 85¾ and 82, comparing with the highest and lowest extremes last year at 88¾ and 83½ and a glance at the price radius of representative English railways stocks shows that the trend of prices in that section also has been downwards. The explanations, of course, are simple; the demand for Consols has fallen away from a variety of causes, including the widened area of investments open to trustees as a result of the passing of the Colonial Stock Act of 1900 and the general necessity to obtain more than 3 p.c. on investments. English railways have been out of favour for the simple reason that they have not yet produced anything very startling in the shape of economies as a result of the close of the era of cut-throat competition.

But, when allowance has been made for the depreciation in these two important groups of stocks it is fair to assume that the average investor has done pretty well. Because, as has been frequently indicated in this column, he has, of late years been busily transferring his capital from these two groups to stocks whose appreciation is notable.

Outstanding events of 1909 with us include the marked recovery in Russian credit—we hear, by the way, a rumour that the French banks are busy with preparations for a big conversion of Russian Fives into Fours—the amazing number of new issues, the rubber boom, the skating rink craze (there will be some heavy losses in this direction before long), and the recovery in South Africans. And in the last week of 1909 we have had quite a boom in West Africans.

We turn to 1910 in excellent spirits. Trade is recovering, railway traffics picking up, the monetary outlook, if obscure, can at all events, be viewed through hopeful spectacles. Thus circumstanced, we wish to all who are engaged in forwarding the commercial development and pro-

gress of the great Dominion and especially to readers of THE CHRONICLE "a very prosperous New Year"

#### Nationalized Canals: A Big Scheme.

Three years ago the Campbell-Bannerman Government appointed a Royal Commission, with very wide terms of reference, to investigate the condition of our canals and waterways. This was in response to an agitation upon the subject, which alleged that our canals had been stifled almost to the point of death by the "railway monopoly." The commission has just issued its final report, a document sufficiently bold in its outlook to satisfy the most exacting agitator for the rejuvenation of the canals, though whether that long-suffering individual, the taxpayer, will be equally enthusiastic when its recommendations are carried into effect remains to be seen. Briefly, the majority of the Commissioners propose the creation of a State Waterways Board, to take over, in the first instance, the four considerable canals which radiate from the Midlands to the Humber and Thames on the east coast; the Mersey and Bristol channel on the west coast. This State Waterways Board would be somewhat similar to the newly-created authority administering the Port of London. The commissioners state that it would be necessary to spend about 17½ millions in bringing these canals up to date, and another million a year in upkeep, and they frankly confess that they cannot say with confidence that there would be any direct return upon this outlay. Seeing that the revenue of these canals from tolls in 1905 was £434,500, this seems fairly obvious. The Commissioners, however, insist that there would be an indirect return in the shape of a stimulus given to trade, such as has been experienced as a result of the construction of the Manchester Ship Canal.

A damaging criticism of the Majority Report is made by Mr. J. C. Inglis, general manager of the Great Western Railway. He insists that "transport by rail is economically superior to transport by water and is better suited to English trading conditions." And again "If the State desires to develop cheaper transportation, it would be more desirable to do so by assisting that means of transportation which is available for all descriptions of traffic, that can give a far more efficient service generally and that cannot be done without, rather than by giving aid to the resuscitation of another means of transportation, which is only suitable for certain classes of traffic, could be taken advantage of only by certain sections of traders located in particular districts and has shown itself to be wholly inadequate for and altogether unsuited to the general requirements and conditions of the trading community in this country." Mr. Inglis also points out that in the Birmingham districts, for instance, the widening of the existing canals would mean the demolition and rebuilding of scores of works which now line the canal banks. Altogether it seems that the Home Railway market has done wisely in refusing to allow the majority report to have any effect upon prices. If the schemes are carried out and this, of course, is by no means certain, it will be a very long time before the railways can be affected.

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ASSURANCE CO.**

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OLDEST ACCIDENT COMPANY IN THE WORLD  
**ACCIDENTS OF ALL KINDS**  
INSURED AGAINST

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**THE Canadian Railway Accident Insurance Company**  
OTTAWA, CANADA.

Authorized Capital - - - - \$500,000.00  
Subscribed Capital - - - - 250,000.00

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**PERSONAL ACCIDENT'  
SICKNESS  
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H. W. PEARSON, Secy.-Treas.  
**WORKMAN'S COLLECTIVE  
TEAMS LIABILITY  
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**ELEVATOR LIABILITY  
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default of trusted employees. Bonds  
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The Law Union & Crown Insurance Company having acquired the Rock Life Office the name of the Company has been altered to

**The LAW UNION & ROCK**

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ASSETS EXCEED - \$45,000,000.00

Over \$5,000,000 invested in Canada.

**FIRE and ACCIDENT RISKS** accepted.

Canadian Head Office: 112 St. James Street, corner Place d'Armes, MONTREAL.

Agents wanted in unrepresented towns in Canada.  
Alex. S. Matthew, Manager      J. E. F. DICKSON,  
W. D. Aiken, Sub-Manager, Accid't Dep.      Canadian Manager.

**The General Accident  
Assurance Company  
of Canada**

HEAD OFFICE, - TORONTO, ONT.

**Personal Accident,  
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Insurance**

W. G. FALCONER, C. NORIE-MILLER,  
Managers for Canada

General Agents for PROVINCE of QUEBEC

**ROLLAND, LYMAN & BURNETT, MONTREAL.**

**Dominion's Redemption of Debt.**

The announcement by the Bank of Montreal that the Dominion Government will repay on July 1st next, the entire 4 per cent. loan of £4,000,000 contracted in 1885, of which £443,500 is now quoted in London at 102, has been received with interest. The fact that this loan is thus being paid up at the earliest possible opportunity is regarded very favourably as showing that those in charge of the Dominion's finances are determined that Canada shall enjoy every possible advantage that accrues as a result of her high credit.

**Canadian Securities Active.**

The leading Canadian securities have been extremely active this week. The brilliant increase of £300,000 in the net earnings for November has led to a sharp advance in Canadian Pacifics which wind up the year at 187½. The Grand Trunk November return was disappointing, the market having "gone for" an increase in the net receipts of from £10,000 to £15,000 whereas the published figures show an increase only of £3,000, and the fact that this return is less favourable than that of the Canadian Northern with its increase of £27,000 has been commented upon. The generally accepted explanation is that the Grand Trunk cannot create traffic in its present field so rapidly as the two companies serving the West. Grand Trunk securities have rallied after their relapse on the publication of the return, thanks to various debt calculations that the dividends of the first and second preferences are fully provided for, and that there remains a considerable amount for the thirds. This is, of course, subject to the notorious adjustments of the last month of the half year, and what result the Grand Trunk Board will produce, under its new chairman, remains to be seen.

**Quebec and Lake St. John Railway.**

The plans for re-organization—so much of them at least as concerns the consulting of the bondholders—appear to be getting into something of a tangle. The Railway Share Trust and Agency, trustees for the bondholders, now state that they cannot advise bondholders with regard to the proposals to be submitted at the meeting on the 14th inst., and desire to preserve a strictly neutral attitude on the question for the reason that they have no independent knowledge of the company's affairs or of the merits of the proposals beyond that accessible to any bondholder. But they have drawn up a form of proxy to cover (1) a vote for the proposals, and (2) for the appointment of a committee to obtain independent information and report to the bondholders. Mr. W. R. Lawson, the well-known financial writer, has now plunged into the discussion on the proposals in his usual trenchant fashion. He suggests that as the Quebec and Lake St. John line will play an important part in the future arrangements for Quebec terminals possibly bondholders might do better by applying for a receiver and working the railway for a year or two even at a loss than under the present proposals. In any case, he says, bondholders need time and means to take stock of the situation, before coming to a final decision.

Hudson Bays have been strong during the week,

closing the year at 101½, after having been dealt in at 102. The returns of land sales published yesterday show that during the quarter 38,100 acres, exclusive of town lots, were disposed of for £94,100, as compared with 7,000 acres for £15,700 in the corresponding period of 1908. During the last nine months 70,100 acres, exclusive of town lots, have been disposed of for £174,000 as compared with 17,100 acres for £30,200. The total receipts for the nine months to date are £199,300 against £164,300.

**Insurance Items.**

Some interesting figures have lately been published regarding employers' liability insurance during 1908. Thirty-four tariff and eighteen non-tariff offices are included in these returns. The tariff offices received in premiums £2,030,230 and paid in claims £1,256,684, this being 61.90 p.c. of premiums earned. Commissions and other expenses are stated to be £732,747 or 36.10 p.c. of the premiums. The balance on trading account after making allowance for unexpired risks is £40,799 or exactly 2 p.c. In the case of the non-tariff offices the premiums earned were £253,170; the claims, £166,129 (65.61 p.c. of the premiums); commissions, ect., £92,575 (36.57 p.c.); and after an allowance for unexpired risks there is an adverse balance on trading account of £5,528 or 2.18 p.c. All of which suggests that the move some months ago in the direction of raising these premiums did not come too soon.

It has been the custom, hitherto, for the Income Tax authorities to allow the amount paid in insurance premiums of the assessment up to one-sixth of the income. Some excellent people have apparently been using this permission too freely, as the authorities have now issued a circular withdrawing the concession in the the case of all single payment insurances.

METRO.

London 1st January, 1910.

REPRESENTATION and counter representations are likely to be made to the Minister of Trade and Commerce at Ottawa, regarding the increase in freight rates from British to Canadian Ports, referred to a week ago. The steamship men contend that the importer for many years has had the advantage of a rate from British ports that has in many cases meant a loss to the navigation companies. As a foretaste of other advances, rates on dry goods have this month been increased.

THE PHILADELPHIA RAPID TRANSIT COMPANY has decided to give \$500 free insurance to all employees in the service of the company. It has also decided to give pensions of \$20 a month to all employees who have been 25 years in the employ of the company and have attained the age of 65 years

PARCEL POSTAGE RATES between Canada and Great Britain were reduced on January 1st to 12 cents per pound; formerly they were 16 cents for the first and 12 cents for each subsequent pound. Rates to the British West Indies are similarly reduced.



# The Employers' Liability

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" " " OF LONDON, ENGLAND " " "

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**\$434,127.00**

**STANDS FIRST**  
in the liberality of its Policy Contracts, in financial strength, and in the liberality of its settlements

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**CAPITAL, \$500,000**

**PERSONAL ACCIDENT,  
SICKNESS,  
LIABILITY,  
PLATE GLASS,  
INSURANCE.**

R. WILSON-SMITH,  
President

T. H. HUDSON,  
Manager

## The Imperial Guarantee AND ACCIDENT INSURANCE CO.

Head Office: 46 King Street West, . TORONTO

ACCIDENT,  
SICKNESS.

**IMPERIAL  
PROTECTION**

**GUARANTEE INSURANCE**

Agents have a valuable Asset when they represent this strong Canadian Company.

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**E. WILLANS,**

Genl. Mangr. & Secretary

TORONTO  
TRADERS BANK  
BUILDING;

FOUNDED 1871

MONTREAL  
MERCHANTS BANK  
BUILDING

## THE OCEAN ACCIDENT & GUARANTEE CORPORATION, LIMITED.

OF LONDON, ENGLAND,

TORONTO.

CHARLES H. NEELY,  
MANAGER FOR CANADA & NEWFOUNDLAND.

To our Policy Holders,

We desire to announce that Claims under Canadian Policies of this Corporation can be adjusted and when satisfactory proofs are furnished, will be paid at par at any Branch Office in England, the Colonies, and European Countries without delay or inconvenience.

Yours truly,

*Charles H. Neely*  
Manager.

# R. WILSON-SMITH

**Financial Agent**

160 St. James Street : : : : Montreal

Specialty : { INVESTMENT SECURITIES—Suitable for Banks, Trust Estates, Insurance Companies, Investments for Deposit with Canadian Government.

CABLE ADDRESS: CHRONICLE.

**THE METROPOLITAN BANK.**

**Toronto Institution shows Steady Growth in Resources.**

The report for the Metropolitan Bank of Toronto shows net earnings of \$130,404 after making allowance for any losses and bad debts. This was at the rate of 13 per cent. on the paid-up capital of \$1,000,000—the dividend being 8 per cent. There was paid out in dividends the sum of \$80,000 and \$20,000 to the reduction of bank premises—the remainder being carried forward. This, added to the \$277,404 balance from last year, gives a total of undivided profits of \$307,809. The Metropolitan, while among the newer banking institutions of Canada, has assets of \$9,939,896, of which nearly \$4,000,000 are of the quickly realizable class. With a rest fund equal in amount to the paid-up capital the position of the bank is well secured. A strong directorate backs the efficient management of Mr. W. D. Ross, the general manager, and the commercial clientele of the bank grows steadily. Current loans and discounts at the year-end totalled well on to \$5,000,000. These will doubtless expand during coming months of business activity, as the Metropolitan has now quick assets amounting to nearly 60 p.c. of liabilities to the public.

THE PRESIDENTIAL ADDRESS recently delivered before the Insurance Institute of Liverpool, by Mr. F. W. P. Rutter, general manager and secretary of the London and Lancashire Fire Insurance Co., has already been referred to in these columns. Through the courtesy of Mr. T. F. Dobbin, the company's resident secretary at Montreal, THE CHRONICLE has received an *édition de luxe* of Mr. Rutter's address, which bears the title: "The Evolution of a Great Profession."

Mr. Rutter does more than quote statistics to show how closely the business of insurance "is bound up with the very vitals of the country's progress and prosperity." He estimates that the total sums insured of British fire companies current in 1909 amounted to the prodigious sum of £6,500,000,000, at risk throughout the world. "And yet we have the hardihood to go home regularly and sleep peacefully in our beds," he adds.

THE RETIREMENT of Professor Jas. W. Robertson, from the principalship of Macdonald College will be regretted, not in this province alone, but by all Canadians who recognize the importance of raising the country's agricultural standards. It is to be hoped that in some other chosen capacity, Mr. Robertson will continue to give the Dominion the benefit of his knowledge and enthusiasm.

While Canada's short-comings are many with regard to agricultural methods, the good work of experimentation and instruction goes steadily on. Dr. William Saunders, of the Experimental Farm at Ottawa, made plain in his address before the Montreal Canadian Club, this week, that much is being done to utilize more fully, and at the same time conserve, the potential wealth of Canada's soil.

THE GRAND TRUNK PACIFIC is issuing a million sterling 4 per cent. debentures at 92 1-2.

**Financial and Insurance Items**

NEW CAPITAL APPLICATIONS in London, as listed by The Economist, totalled £182,356,800 during 1909, as compared with £192,203,700 in 1908. Of this sum more went to Canada than to any other destination—£26,800,000 being this country's share.

Mr. E. R. Wood, of Toronto, in his annual summary of bond issues estimates this country's British borrowings as \$176,106,788—or \$194,356,788, including bonds of Canadian corporations operating in Latin America. So that, with stock purchases added, Britain's investing of capital in Canada during 1909 was well over \$200,000,000, as pointed out in THE CHRONICLE of a week ago.

MR. M. J. BUTLER, Deputy Minister of Railways, and head of the Intercolonial Railroad Commission, was this week appointed second vice-president and general manager of the Dominion, Iron and Steel Co. and of the Dominion Coal Co. Canada loses one of the most efficient of its public servants; the allied companies are to be congratulated on their choice. President Plummer stated after Wednesday's meeting of directors that no announcements as to merger terms can be made until the expert accountants' report is completed.

PORCUPINE LAKE GOLD DISCOVERIES are leading to "snow-shoe staking" at a feverish rate. Hon. Frank Cochrane, Ontario's Minister of Lands, Forests and Mines, has issued a warning to the public against the buying of claims staked out when the whole country is deeply covered by snow.

THE MEXICAN NORTHERN POWER Co. will market half of its new \$5,000,000 bond issue in London and half in Canada. Subscribers will receive 100 per cent. of a bonus, each \$1,000 of 5 per cent. bonds at 90 carrying a bonus of \$1,000 of common stock.

THE ROCK ISLAND stock market fiasco having been examined into, two brokers of the firm of S. B. Chapin & Co., have been suspended from the New York Stock Exchange for manipulated dealing.

THERE IS A HALT in arrangements for the Canadian Northern's extensions in British Columbia, owing to the provincial government's showing a disposition to demand an agreement as to rates.

A MATTRESS FACTORY fire in Winnipeg, this week nearly resulted in the loss of several lines. Property loss reported at over \$10,000, with insurance of \$5,000.

THE C.P.R.'S LONDON OFFICES are being besieged by applicants for particulars of the scheme providing ready-made farms for emigrants to Canada.

THE MANITOBA GOVERNMENT announces that it will establish a line of interior grain elevators as a public utility.

THE BANK OF MONTREAL, this week issued £325,000 4 1-2 per cent. City of Calgary debentures at 103 1-2.

DAMAGE OF \$75,000 is reported as caused by a fire on Wednesday in the Munro Wire Works, Winnipeg.

BUILDING OPERATIONS in Greater Montreal are estimated at \$20,000,000 for 1909—a gain of \$7,000,000 over 1908.

## British American Bank Note Co. Ltd.

HEAD OFFICE :  
Wellington Street, OTTAWA, Canada

Most modern and complete appliances for the production and protection against counterfeiting of BANKNOTES, BONDS, CHECK CERTIFICATES, POSTAGE and REVENUE STAMPS and all Documents of A Monetary value.

The Work executed by this Company is accepted by the  
LONDON, NEW YORK, BOSTON  
and other Stock Exchanges.

BRANCH OFFICES :  
9 BLEURY STREET. - MONTREAL  
TRADERS' BANK BLDG. - TORONTO

## Hartford Fire Insurance Co.

HARTFORD, CONN.  
ESTABLISHED 1794

CASH ASSETS, - - - \$18,920,603.84  
Surplus to Policy-Holders, - 5,261,450.45

CHAS. E. CHASE, President  
E. M. BISSELL, Vice-President FRED'K. SAMSON, Asst Secy.  
THOS. TURNBULL, Secretary. S. E. LOCKE, Assistant Secretary

H. A. FROMINGS, MONTREAL MANAGER  
9 St. Francois Xavier Street.

## SUGARS

The best are the cheapest

Ask for and see that you get

*Redpath*

EXTRA GRANULATED and other  
grades of refined

Supply your customers with only  
the best sugars obtainable.

IT WILL PAY

MANUFACTURED BY

The Canada Sugar Refining Co., Ltd.

MONTREAL, QUE.

## SECTIONAL *Macey* BOOKCASES

"MACEY"  
Sectional Bookcases  
are fitted with a the  
latest improvements,  
and for Finish,  
Construction, and  
Appearance are  
AWAY AHEAD  
OF ALL OTHERS



Chippendale Bookcase.

WRITE  
for our handsome  
new "Macey"  
Bookcase folder  
showing our different  
styles of Bookcases.  
SENT FREE ON  
REQUEST BY THE  
MANUFACTURERS

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LIMITED

General Offices, WOODSTOCK, ONT .  
Wholesale Show-rooms, Toronto and Winnipeg.



SEVENTY-EIGHTH ANNUAL REPORT

# BANK OF NOVA SCOTIA.

CAPITAL, . . . . . \$3,000,000. | RESERVE FUND, . \$5,500,000.

Head Office, HALIFAX. | General Manager's Office, TORONTO.

### Profit and Loss.

1908, Dec. 31. By Balance .....	\$ 55,741 78	
1909, Jan. 18. " Provision for loss Sovereign Bank reversed .....	50,000 00	
Dec. 31. " Net profits for current year; losses by bad debts estimated and provided for...	604,123 37	<b>\$709,865 15</b>
1909, Jan. 18. To Loss on composition with Sovereign Bank .....	\$ 25,000 00	
Dec. 31. " Dividends Nos. 157, 158, 159, 160 at 12 per cent. ....	360,000 00	
" Special bonus to Clerks and Junior Managers .....	30,000 00	
" Contribution to Officers' Pension Fund .....	25,000 00	
" Written off Bank Premises Account .....	125,000 00	
" Transferred to Reserve Fund .....	100,000 00	
" Balance carried forward .....	44,865 15	<b>\$709,865 15</b>

### General Statement as at December 31st, 1909.

LIABILITIES.		
Deposits not bearing Interest .....	\$7,081,171 97	
Deposits bearing Interest .....	27,800,777 29	
Interest accrued on Deposits .....	126,383 67	35,008,332 93
Deposits by other Banks in Canada .....	247,229 65	
Deposits by other Banks in United Kingdom .....	23,343 91	
Deposits by other Banks in Foreign Countries .....	672,156 31	942,729 87
Notes in Circulation .....	2,842,476 88	
Drafts drawn between Branches outstanding .....	701,484 13	3,543,961 01
Capital paid up .....	3,000,000 00	
Reserve Fund .....	5,500,000 00	
Reserve for loss in liquidating insolvent banks .....	50,000 00	
Special bonus to Clerks and Junior Managers .....	30,000 00	
Profit and loss, balance carried to 1910 .....	44,865 15	
Dividend of Interest @ 6% on Time Loans .....	149,057 13	
Dividend Warrants outstanding .....	420 00	
Dividend No. 160, payable 3rd Jan., 1910 .....	90,000 00	8,861,342 28
		<b>\$46,359,366 09</b>

### ASSETS.

Specie .....	\$2,169,766 49	
Dominion Notes—Legal Tenders .....	2,830,794 20	
Notes of and Cheques on other Banks .....	2,128,272 29	
Due from other Banks in Foreign Countries .....	1,533,548 11	
Sterling Exchange .....	1,107,672 39	
Investments, (Provincial, Municipal and other Bonds) .....	9,770,053 48	
Call Loans, secured by Bonds, Debentures and Stocks .....	6,650,161 69	
Call Loans, secured by Grain and other Staple Commodities .....	6,888,460 77	
		26,121,236 54
Deposits with Dominion Government for security of Note Circulation .....	155,773 89	
Loans to Provinces and Municipalities .....	238,129 65	
Current Loans, secured by Bonds, Debentures and Stocks .....	1,382,528 55	
Current Loans, secured by Grain and other Staples .....	1,237,829 84	
Overdrafts, secured .....	277,603 91	
Overdrafts, authorized but not specially secured .....	128,997 93	
Notes and Bills discounted and current .....	17,808,529 21	
Notes and Bills overdue .....	2,230 50	
Bank Premises .....	984,219 67	
Stationery Department .....	22,286 40	
		22,233,129 55

NOTE.—A contingent liability of \$200,000, in conjunction with several other banks in connection with the liquidation of the Ontario Bank, is not fully expressed in the above statement.

**\$46,359,366 09**

H. C. McLEOD, General Manager.

### AUDITORS' REPORT.

We hereby certify that we have personally checked the cash on hand at Halifax, Toronto and Montreal. We have also verified the securities held as investments, personally examining those held by the Canadian branches of the Bank, and procuring certificates by responsible business men, not in the employ of the Bank, certifying to the existence of the remainder of these securities.

We have further to report that we have obtained all the information required by us, and that, having examined the foregoing Balance Sheet, and having compared the same with the books of the Head Office, and the certified returns from the branches, we are of the opinion that it is a full and fair Balance Sheet, exhibiting a true and correct view of the Bank's affairs at 31st December, 1909.

D. H. HUIK, C.A., Edinburgh.  
J. MAXTONE GRAHAM, C.A., Edinburgh.

Toronto, January 10th, 1910.

# List of Leading Stocks and Bonds

REPORTED FOR THE CHRONICLE BY R. WILSON-SMITH & CO., 160 ST. JAMES STREET, MONTREAL.  
CORRECTED TO THURSDAY, JANUARY 13th, 1910.

BANK STOCKS.	Closing price or Last sale.	Par value of one share.	Revenue per cent. on investment at present prices.		Capital subscribed	Capital paid up	Res. Fund	Per cent'ge of Res. to paid up Capital	Rate of Annual Dividend	When Dividend payable.
			\$	Per Cent.						
British North America	200 199 1/2	100	4 66	4 86	4,866,666	4,866,666	2,433,333	50.00	7	April, October.
Canadian Bank of Commerce	150 145	100	4 00	4 00	10,000,000	10,000,000	6,000,000	60.00	8	Jan., April, July, October
Dominion	164 1/2	100	4 86	4 86	3,983,700	3,983,700	2,000,000	49.82	8	Jan., April, July, October
Eastern Townships	100	100	.....	.....	3,000,000	3,000,000	.....	.....	4	.....
Farmers	100	100	.....	.....	1,000,000	566,396	2,500,000	100.00	10	March, June, Sept., Dec.
Hamilton	146 1/4	100	5 47	5 47	2,500,000	2,500,000	2,150,000	85.00	8	March, June, Sept., Dec.
Hochelaga	100	100	.....	.....	1,084,900	1,019,539	333,553	32.73	6	March, June, Sept., Dec.
Home Bank of Canada	100	100	.....	.....	5,000,000	5,000,000	5,000,000	100.00	11	Feb., May, August, Nov.
Imperial	100	100	.....	.....	1,989,530	1,935,708	1,050,000	52.61	7	Feb., May, August, Nov.
La Banque Nationale	176 1/2	100	4 53	4 53	6,000,000	6,000,000	4,000,000	66.66	8	March, June, Sept., Dec.
Merchants Bank of Canada	100	100	.....	.....	1,000,000	1,000,000	1,000,000	100.00	10	Jan., April, July, October
Metropolitan Bank	210 1/2	208 100	4 76	4 76	3,500,000	3,500,000	3,500,000	100.00	10	Jan., April, July, October
Molson's	205	100	3 92	3 92	14,400,000	14,400,000	12,000,000	83.33	10	March, June, Sept., Dec.
Montreal	100	100	.....	.....	750,000	750,000	1,312,500	175.00	13	Jan., April, July, October
New Brunswick	XR	100	.....	.....	2,267,500	2,267,500	50,000	2.27	5	January, July.
Northern Crown Bank	283 275	100	4 24	4 24	3,000,000	3,000,000	5,400,000	180.00	12	Jan., April, July, October
Nova Scotia	100	100	.....	.....	3,000,000	3,000,000	3,000,000	100.00	10	Jan., April, July, October
Ottawa	100	100	.....	.....	1,000,075	1,000,000	300,000	30.00	6	Jan., April, July, October
Provincial Bank of Canada	122 1/2	100	5 71	5 71	2,500,000	2,500,000	1,250,000	50.00	10	March, June, Sept., Dec.
Quebec	225 224 1/2	100	4 44	4 44	4,936,800	4,914,270	8,614,270	114.24	12	Jan., April, July, October
Royal	100	50	.....	.....	1,929,500	1,924,465	2,224,465	115.59	5	Feb., May, Aug, November
Standard	100	100	.....	.....	200,000	200,000	55,000	27.50	5	March, September.
St. Stephens	100	100	.....	.....	504,600	369,910	75,000	20.27	5	Feb., May, August, Nov.
St. Hyacinthe	100	100	.....	.....	876,000	841,830	207,372	24.63	10	March, June, Sept., Dec.
St. Jerome	100	100	.....	.....	4,000,000	4,000,000	4,500,000	112.50	8	Jan., April, July, October
Sterling	220 218	100	4 54	4 54	4,367,500	4,354,311	2,000,000	45.93	8	Jan., April, July, October
Toronto	100	100	.....	.....	1,500,000	1,500,000	1,200,000	80.00	7	Feb., May, August, Nov.
Traders	100	50	5 00	5 00	3,207,200	3,201,870	1,800,000	56.21	4	March, June, Sept., Dec.
Union Bank of Halifax	140	1 0	.....	.....	638,300	505,955	.....	.....	4	.....
Union Bank of Canada	100	100	.....	.....	.....	.....	.....	.....	.....	.....
United Empire Bank	100	100	.....	.....	.....	.....	.....	.....	.....	.....
<b>MISCELLANEOUS STOCKS.</b>										
Bell Telephone	146 1/2	100	5 46	5 46	12,500,000	12,500,000	.....	.....	8	Jan., April, July, October
B. C. Packers Assn "A" pref.	100	100	.....	.....	635,000	635,000	.....	.....	7	Cumulative. In arrears 10 p.c.
do "B" pref.	100	100	.....	.....	635,000	635,000	.....	.....	7	.....
do Com.	100	100	.....	.....	1,511,400	1,511,400	.....	.....	4	March, June, Sept., Dec.
Can. Colored Cotton Mills Co.	61 5/8	100	6 53	6 53	2,700,000	2,700,000	.....	.....	7	Jan., April, July, October
Canada General Electric Com	100	100	.....	.....	4,700,000	4,700,000	.....	.....	7	April, October.
do Pfd	100	100	.....	.....	1,452,385	1,452,385	.....	.....	6 1/2	.....
Canadian Pacific	17 3/4	100	.....	.....	146,016,000	143,016,000	.....	.....	.....	.....
Canadian Converters	45 44 1/2	100	.....	.....	1,733,500	1,733,500	.....	.....	.....	.....
Detroit Electric St	64 62 1/2	100	.....	.....	12,500,000	12,500,000	.....	.....	.....	.....
Dominion Coal P. Preferred	112 118	100	5 92	5 92	3,000,000	3,000,000	.....	.....	7	February, August.
do Common	90 89	100	4 41	4 41	15,000,000	15,000,000	.....	.....	4	Jan., April, July, October
Dominion Textile Co. Com	68 67 1/2	100	7 35	7 35	5,000,000	5,000,000	.....	.....	5	Jan., April, July, October
do Pfd	104 102	100	6 73	6 73	1,858,068	1,858,068	.....	.....	7	Jan., April, July, October
Dom. Iron & Steel Com.	71 71 1/2	100	.....	.....	20,000,000	20,000,000	.....	.....	7	Cum. In arrears 35 p.c.
do Pfd	136 136 1/2	100	5 12	5 12	5,000,000	5,000,000	.....	.....	.....	.....
Duluth S. S. & Atlantic	100	100	.....	.....	12,000,000	12,000,000	.....	.....	.....	.....
do Pfd	100	100	.....	.....	10,000,000	10,000,000	.....	.....	.....	.....
Halifax Tramway Co	123	100	6 69	6 69	1,350,000	1,350,000	.....	.....	7	Jan., April, July, October
Havana Electric Ry Com	100	100	.....	.....	7,500,000	7,500,000	.....	.....	.....	.....
do Preferred	100	100	6 60	6 60	5,000,000	5,000,000	.....	.....	6	Jan., April, July, October
Illinois Trac. Pfd	93 92 1/2	100	6 40	6 40	5,000,000	5,000,000	.....	.....	6	Jan., April, July, October
Laurentide Paper Com	130	100	5 38	5 38	1,600,000	1,600,000	.....	.....	7	February, August.
do Pfd	131	100	5 34	5 34	1,200,000	1,200,000	.....	.....	7	Jan., April, July, October
Lake of the Woods Mill Co. Com	145 144 1/2	100	4 13	4 13	2,000,000	2,000,000	.....	.....	6	Apr., Oct. (\$10 B'aus Oct. '09)
do Pfd	100	100	.....	.....	1,500,000	1,500,000	.....	.....	.....	.....
Mackay Companies Com	85 84 1/2	100	5 58	5 58	43,437,200	43,437,200	.....	.....	4	March, June, Sept., Dec.
do Pfd	77 75 1/2	100	5 15	5 15	50,000,000	50,000,000	.....	.....	5	Jan., April, July, October
Mexican Light & Power Co. Com	131	100	4 39	4 39	13,585,000	13,585,000	.....	.....	4	Jan., April, July, October
Minn. St. Paul & S.S.M. Com	136 136	100	.....	.....	20,832,000	16,800,000	.....	.....	6	April, October.
do Pfd	100	100	.....	.....	10,416,000	8,400,000	.....	.....	8	March, June, Sept., Dec.
Montreal Cotton Co.	133 133 1/2	100	5 23	5 23	3,000,000	3,000,000	.....	.....	7	Feb., May, August, Nov.
Montreal Light, Ht. & Pwr. Co D.	104	100	6 73	6 73	17,000,000	17,000,000	.....	.....	7	January, July.
Montreal Steel Work, Com	100	100	.....	.....	700,000	700,000	.....	.....	7	Jan., April, July, October
do Pfd	100	100	.....	.....	800,000	800,000	.....	.....	.....	.....
Montreal Street Railway	XD 217 215 1/2	100	4 60	4 60	9,000,000	9,000,000	.....	.....	10	Feb., May, August, Nov.
Montreal Telegraph	XD 150	40	5 33	5 33	2,000,000	2,000,000	.....	.....	2	Jan., April, July, October
Northern Ohio Trac. Co.	35 1/2	100	5 63	5 63	10,000,000	7,900,000	.....	.....	8	March, June, Sept., Dec.
North West Land, Com	100	5	.....	.....	294,073	294,073	.....	.....	.....	.....
N.Scotia Steel & Coal Co. Com	XD 74 74 1/2	100	5 36	5 36	5,000,000	4,987,600	.....	.....	4	.....
do Pfd	100	100	.....	.....	2,000,000	1,020,000	.....	.....	8	Jan., April, July, October
Ovillvie Flour Mills Com	138 138 1/2	100	5 77	5 77	2,500,000	2,500,000	.....	.....	8	March, September.
do Pfd	127 94 1/2	100	5 30	5 30	2,000,000	2,000,000	.....	.....	7	March, June, Sept., Dec.
Richelieu & Ont. Nav. Co.	90 90	100	4 43	4 43	3,132,000	3,132,000	.....	.....	5	March, June, Sept., Dec.
Rio de Janeiro	100	100	.....	.....	25,000,000	25,000,000	.....	.....	.....	.....
Sao Paulo	100	100	.....	.....	9,700,000	9,100,000	.....	.....	10	Jan., April, July, October
Shawinigan Water & Power Co. XD	99	100	4 04	4 04	6,500,000	6,500,000	.....	.....	6	Jan., April, July, October
St. John Street Railway	100	100	.....	.....	800,000	800,000	.....	.....	.....	.....
Toledo Ry & Light Co	127 126 1/2	100	5 51	5 51	13,875,000	12,000,000	.....	.....	7	Jan., April, July, October
Toronto Street Railway	100	100	.....	.....	8,000,000	8,000,000	.....	.....	.....	.....
Trinidad Electric Ry	100	4 80	.....	.....	1,164,000	1,164,000	.....	.....	.....	.....
Tr. City Ry. Co. Com	100	100	.....	.....	9,000,000	9,000,000	.....	.....	6	Jan., April, July, October
do Pfd	100	100	.....	.....	2,000,000	2,000,000	.....	.....	6	Feb., May, August, Nov.
Twin City Rapid Transit Co.	114 114	100	5 28	5 28	20,100,000	20,100,000	.....	.....	7	Jan., April, July, October
do Preferred	100	100	.....	.....	3,000,000	3,000,000	.....	.....	.....	.....
West India Elec.	120	100	8 33	8 33	800,000	800,000	.....	.....	5	Jan., April, July, October
Windsor Hotel	100	100	.....	.....	1,000,000	1,000,000	.....	.....	10	May, November
Winnipeg Electric Railway Co	100	100	.....	.....	1,000,000	6,000,000	.....	.....	.....	.....

# THE METROPOLITAN BANK

## Statement of the Affairs of the Bank as at December 31st, 1909

LIABILITIES		ASSETS	
Notes of bank in circulation . . . . .	\$ 956,605.00	Specie and Dominion Notes . . . . .	\$ 935,096.08
Deposits not bearing interest . . . . .	1,336,245.94	Deposit with Dominion Government for security of note circulation . . . . .	50,000.00
Deposits bearing interest (including interest accrued to date) . . . . .	4,419,202.40	Notes of and cheques on other Banks . . . . .	464,622.58
	<u>\$6,712,053.34</u>	Balances due from other Banks in Canada . . . . .	410,119.87
Capital Stock paid-up . . . . .	\$1,000,000.00	Balances due from Agents in United Kingdom . . . . .	24,902.78
Reserve Fund . . . . .	1,000,000.00	Balances due from Agents in Foreign Countries . . . . .	177,641.39
Dividend No 20 payable January 3rd, 1910 . . . . .	20,000.00	Provincial, Municipal, Railway and other Bonds and Securities . . . . .	1,040,759.81
Previous Dividends unclaimed . . . . .	34.00	Call Loans, secured by bonds, debentures and stocks . . . . .	797,563.54
Balance of Profit and Loss Account carried forward . . . . .	307,709.25		<u>\$3,900,706.05</u>
	<u>2,327,843.25</u>	Current Loans and Discounts (less rebate on bills not due) . . . . .	\$4,889,484.48
		Notes and Bills overdue (estimated loss provided for) . . . . .	2,972.81
		Bank Premises, Safes and Office Furniture . . . . .	241,671.91
		Real Estate other than Bank Premises . . . . .	5,061.34
			<u>5,139,190.54</u>
			<u>\$9,039,896.59</u>
			<u>\$9,039,896.59</u>

### PROFIT AND LOSS ACCOUNT

Dividends Nos. 17, 18, 19, and 20 . . . . .	\$ 80,000.00	Dec. 31, 1908, balance at credit account . . . . .	\$277,404.49
Written off Bank Premises Account . . . . .	20,000.00	Dec. 31, 1909, profit for the year after deducting charges of management, interest due depositors, rebate on unmatured bills, and after making full provision for all bad and doubtful debts . . . . .	130,404.76
Balance carried forward . . . . .	307,809.25		<u>\$407,809.25</u>
			<u>\$407,809.25</u>

W. D. ROSS, General Manager

# FORTIETH ANNUAL STATEMENT OF THE ROYAL BANK OF CANADA

## LIABILITIES

	Dec. 31, 1908.	Dec. 31, 1909.
<b>To the Public.</b>		
Deposits bearing interest .....	\$24,300,726.66	\$33,456,828.85
Deposits not bearing interest .....	13,090,564.60	16,955,930.07
Interest accrued on Deposits .....	52,150.33	64,863.16
Deposits by other Banks in Canada .....	133,102.61	344,507.23
<b>Total Deposits .....</b>	<b>\$37,576,544.20</b>	<b>\$50,822,129.31</b>
Notes of the Bank in Circulation .....	3,556,432.65	4,579,678.65
Balance due to Agents in Great Britain .....	560,818.84	241,178.65
Balances due to Agents in Foreign Countries .....	41,693,795.69	55,858,710.87
<b>To the Shareholders:</b>		
Capital Paid-up .....	3,900,000.00	5,000,000.00
Reserve Fund .....	4,600,000.00	5,700,000.00
Dividend No. 85 (quarterly at 10 per cent.) .....	97,500.00	123,657.73
Dividend No. 86 (quarterly at 10 per cent.) .....	230.00	340.08
Former Dividends unclaimed .....	100,000.00	140,000.00
Rebate on Bills Discounted, not yet due .....	78,685.26	228,393.94
Balance of Profits carried forward .....	\$50,470,210.95	\$67,051,102.62

## ASSETS

Gold and Silver Coin .....	\$3,221,717.14	\$3,560,347.62
Dominion Government Notes .....	3,760,344.35	4,993,532.25
Deposit with Government for Security of Note Circulation .....	190,000.00	200,000.00
Notes of and Cheques on other Banks .....	2,985,741.48	3,746,967.84
Balances due from other Banks in Canada .....	36,289.51	49,568.98
Balances due from Agents in Great Britain .....	372,958.60	553,327.69
Balances due from Agents in Foreign Countries .....	896,657.36	1,633,128.20
Balances due from Agencies in Foreign Countries .....	2,693,101.20	6,831,437.93
Government and Municipal Securities .....	4,501,489.26	9,638,309.62
Railway and other Bonds, Debentures and Stocks .....	3,286,141.29	31,406,621.13
Call and Short Loans on Stocks and Bonds .....	21,944,440.19	371,921.44
Loans to other Banks in Canada .....	496,248.15	157,951.17
Loans to Provincial Governments .....	107,656.95	33,644,705.10
Current Loans and Discounts .....	26,736,164.99	25,657.09
Overdue Debts (Loss Provided for) .....	34,776.28	1,444,246.69
Bank Premises .....	1,150,924.39	\$50,470,210.95
	<b>\$50,470,210.95</b>	<b>\$67,051,102.62</b>

## PROFIT AND LOSS ACCOUNT

By Net Profits for the Year, after deducting Charges of Management, Accrued Interest on Deposits, full provision for all bad and doubtful debts, and rebate of interest on unmatured bills .....	\$838,206.51	\$916,991.77
Balance of Profit and Loss Account, December 31, 1908 .....	78,685.26	-
Appropriated as follows:	463,597.85	-
To Dividend (10 per cent.) .....	25,000.00	-
Transferred to Officers' Pension Fund .....	200,000.00	-
Written off Bank Premises Account .....	228,393.94	\$916,991.77
Balance of Profit and Loss carried forward .....	-	-

Average Paid-up Capital during 1909, **\$4,636,000.**

**EDSON I. PEASE, General Manager**

IN THE SERIOUS FIRE at Sturgeon Falls on 9th inst., the following companies are interested.

On Windsor Hotel: Merchants, \$1,500; Sun, \$2,000; Rimouski, \$5,000; St. Paul, \$3,000; Crown, \$1,500; total \$13,000—loss, total.

On Cockburn Mercantile Co.: British America, \$3,000; Canadian, \$2,000; Phoenix, \$2,000; total, \$7,000—loss, total.

Insurance losses of other recent heavy fires, at North Bay, Little-Current and Winnipeg, will be given later.

THE ACADEMY OF MUSIC has been sold by the Sparrow Amusement Company to the A. E. Rea Company for \$150,000. The theatre which was built in 1865 and which was valued seventeen years ago at \$60,000 had many interesting associations.

(FIRE)  
**German American**  
Insurance Company  
New York

STATEMENT JANUARY 1, 1909  
CAPITAL

**\$1,500,000**  
RESERVED FOR ALL OTHER LIABILITIES  
**7,829,724**  
NET SURPLUS  
**5,467,353**  
ASSETS  
**14,797,077**

**AGENCIES THROUGHOUT CANADA**

**MONTREAL PARK & ISLAND  
RAILWAY COMPANY**

LACHINE.—From Post Office, 20 min. service; 5.40 a.m. to midnight. From Lachine.—20 min. service; 5.10 a.m. to 12.45 midnight.

SAULT-AU-RECOLLET & ST. VINCENT DE PAUL. — 20 min. service; St. Denis Street, from 5.00 a.m., and from St. Vincent from 5.30 a.m.; 30 min. service from 9.30 a.m. to 4.00 p.m.; 20 min. service, 4.00 p.m. to 8.30 p.m.; 30 min. service, 8.30 p.m. to 11.30 p.m. Last car from St. Vincent de Paul at 12.00 p.m. from Sault-au-Recollet at 1.00 a.m., from St. Denis Street at 12.40 midnight.

MOUNTAIN.—From Mount Royal Avenue, 20 min. service; 5.40 a.m. to 11.40 p.m. From Victoria Avenue, Westmount, 20 min. service; 5.00 a.m. to 11.50 p.m.

CARTIERVILLE.—40 min. direct service from Mount Royal and Park Avenue Station, 5.40 a.m. to 11.40 p.m. From Cartierville, 5.40 a.m. to 11.40 p.m.; 40 min. from Victoria Avenue, with change at Snowdon from 5.50 a.m. to 11.50 p.m.

**Subject to change without notice.**

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**The WATERLOO  
Mutual Fire Insurance Co.**

ESTABLISHED IN 1863

**HEAD OFFICE : WATERLOO, ONT**

TOTAL ASSETS 31st DEC., 1908, \$600,000.00

**POLICIES IN FORCE IN WESTERN ONTARIO OVER 30,000**

WM. SNIDER, President

GEORGE DIEBEL, Vice-President

FRANK HAIGHT,

T. L. ARMSTRONG,

Manager

Inspector.

# THE CANADIAN BANK OF COMMERCE

Report of the Proceedings of the Annual Meeting of Shareholders, Tuesday, 12th January, 1910.

The Forty-second Annual Meeting of the Shareholders of the Canadian Bank of Commerce was held in the banking house on Tuesday, 11th January, 1910, at 12 o'clock. [redacted] was appointed to act as Secretary, Mr. B. E. Walker, having taken the chair, Mr. A. St. L. Triggs was appointed to act as Secretary, and Messrs. Edward Cronyn and A. J. Glazebrook were appointed scrutineers. The President called upon the Secretary to read the Annual Report of the Directors as follows:—

## REPORT

The Directors beg to present to the Shareholders the forty-third Annual Report, covering the year ending 30th November, 1909, together with the usual Statement of Assets and Liabilities:

The balance at credit of Profit and Loss Account, brought forward from last year was .....	\$ 161,244.88
The net profits for the year ending 30th November, after providing for all bad and doubtful debts, amounted to .....	1,510,695.86
Amount recovered from over-appropriations in connection with assets now realized .....	300,000.00
	<b>\$1,971,940.74</b>

This has been appropriated as follows:—

Dividends Nos. 88, 89, 90 and 91, at eight per cent. per annum .....	\$ 800,000.00
Written off Bank Premises .....	419,801.72
Transferred to Pension Fund (annual contribution) .....	30,000.00
Balance carried forward .....	722,139.02
	<b>\$1,971,940.74</b>

The assets of the Bank have all been carefully re-valued in accordance with our customary practice, and all bad and doubtful debts have been amply provided for.

Your Directors deeply regret that they have to record the loss by death during the past year of two of their number, Mr. H. D. Warren, who died in March, and Mr. Matthew Leggat, who died only a few days ago. To fill the vacancy caused by Mr. Warren's death, your Directors have elected the Hon. J. M. Gibson, K.C., LL.D., Lieutenant-Governor of Ontario.

For the purpose of making some provision for the widows and orphans or other dependents of officers of the Bank, your Directors propose to submit for your consideration a resolution authorizing the establishment of the necessary fund.

During the year the following branches have been opened: In Ontario—Elk Lake, Gowganda, College and Devereourt (Toronto), Gerrard and Pape (Toronto); in Manitoba—Virden; in Saskatchewan—Broderick, Elros, Hawarden, Herbert, Milestone, Shellbrook, Wilcox and Yorkton; in Alberta—East Calgary, South Calgary, Car-mangay, Olds, Provost, Strathmore and Warner; and in British Columbia—Nakusp. The branches at DeLorimier, Que., and Van Ness and Eddy (San Francisco) have been closed. A branch has been opened at Milk River, Alta., since the close of the Bank's year.

The usual thorough inspection of the branches and agencies of the Bank in Canada, the United States and Great Britain, and of the various departments of the Head Office has been made during the year.

Your Directors desire again to record their appreciation of the efficiency and zeal with which the officers of the Bank continue to perform their respective duties.

**B. E. WALKER,**  
President.

Toronto, 11th January, 1910.

## GENERAL STATEMENT, 30th November, 1908

<b>LIABILITIES.</b>		
Notes of the Bank in circulation .....	\$31,294,540.64	\$ 10,327,415.68
Deposits not bearing interest .....	89,192,438.34	
Deposits bearing interest, including interest accrued to date .....		120,486,978.98
Balances due to other Banks in Canada .....		238,697.58
Balances due to other Banks in foreign countries .....		1,020,847.70
Dividends unpaid .....		2,403.69
Dividend No. 91, payable 1st December .....	\$10,000,000.00	200,000.00
Capital paid up .....	6,000,000.00	
Rest .....	722,139.02	
Balance of Profit and Loss Account carried forward .....		16,722,139.02
		<b>\$148,998,482.65</b>

<b>ASSETS.</b>		
Coin and Bullion .....	\$ 7,509,018.24	
Dominion Notes .....	8,966,895.50	\$16,475,913.74
Balances due by Agents of the Bank in the United Kingdom .....	4,125,986.68	
Balances due by other Banks in foreign countries .....	3,666,272.37	
Balances due by other Banks in Canada .....	29,420.01	
Notes of and Cheques on other Banks .....	5,693,791.20	
Call and Short Loans in Canada .....		13,515,470.26
Call and Short Loans in the United States .....		6,724,495.52
Government Bonds, Municipal and other Securities .....		21,065,630.64
Deposit with Dominion Government for security of Note circulation .....		7,194,886.08
		450,000.00
Loans to other Banks in Canada, secured .....		\$65,426,396.24
Other Current Loans and Discounts .....		774,798.39
Overdue Debts (loss fully provided for) .....		80,342,096.93
Real Estate (other than Bank Premises) .....		129,853.19
Mortgages .....		23,201.83
Bank Premises .....		143,650.94
Other Assets .....		2,000,000.00
		158,485.13
		<b>\$148,998,482.65</b>

(Proceedings Continued on Following Pages.)

**ALEXANDER LAIRD,** General Manager.

## THE CANADIAN BANK OF COMMERCE.—Continued

In moving the adoption of the Report, the President requested the General Manager to address the shareholders:

### GENERAL MANAGER'S ADDRESS.

As has been foreshadowed by the easy position of the money market during the greater part of the year under review—the outcome of a general disposition to continue the liquidation of old obligations and of a lack of desire to engage in new undertakings, which resulted in a large accumulation of funds at important centres—the profits of the Bank show a decrease of \$116,636.92, as compared with the figures of the previous year. They are, however, somewhat in excess of 15 per cent. on the paid-up capital, and we believe that you will not consider this an unsatisfactory showing. Had it not been for the quickening in general trade which occurred during the last three months of the year, and which was no doubt accelerated by the bountiful harvest reaped in the Western Provinces, the decrease would inevitably have been much larger. The surplus of funds not needed for the ordinary commercial requirements of the country, and the large amounts which came to us through the sale of securities abroad, were temporarily loaned in New York; and as rates ruled low for a long period, the resulting profit was not entirely satisfactory; but the results of the policy we have pursued in regard to holding a considerable amount in reserve on quick call, even at low rates, has again justified the wisdom of such a course.

The year has been one of gradual recovery in trade, accompanied by a general appreciation of values, and we have been fortunate in this respect in recovering from assets in connection with which appropriations had previously been made the sum of \$300,000. This sum added to the ordinary earnings of the year has enabled us, after paying the usual dividend and providing for the annual contribution to the Pension Fund, to write \$419,801.72 off Bank Premises Account, and to carry forward \$722,139.02 in Profit and Loss Account.

This autumn we have for the first time made use of the provisions of the Bank Act amendment of 1908, which empowers the banks during the grain-moving season to issue circulating notes in excess of their paid-up capital to the extent of 15 per cent. of the total of paid-up capital and surplus combined. At the close of our year the Bank's circulation stood at \$10,327,415, an increase of more than \$686,000 over the figures of the previous balance sheet. The highest amount of the excess circulation of this Bank during the past two months has been \$954,000. The wisdom of this provision for additional circulation has been signally demonstrated by the ease with which the necessary circulating medium has been provided for the movement of last year's abundant harvest, and we had no hesitation in exercising our right to take advantage of this provision, although it entailed a loss which might have been avoided by withholding our own circulation and paying out sundry notes of other banks. It is clear that unless arrangements are shortly made for additional circulation by increase of capital, a situation may arise in which a struggle to reduce the amount outstanding at the end of January to within the limit of paid-up capital will become inevitable, and if this becomes at all general, it is not likely to be accomplished without considerable disturbance to business.

The increase in deposits during the year amounted to \$25,449,182, the largest annual increase in the history of the Bank and an amount exceeding the total of its deposits only eleven years ago. An important part of this sum, however, consists of deposits known to be temporary, this class of deposits having probably reached a higher level than ever before. Concurrently with this large increase of deposits our loans have increased \$21,500,689, and we have nearly \$10,000,000 in excess of the figures of last year employed at call or short notice. We also hold \$3,388,571 more cash than a year ago, but this increase is only in proportion to the addition to our liabilities.

At the annual meeting of shareholders in January, 1907, we explained at some length the policy which was being pursued by your Directors in the matter of investments in bank premises, and we then reported that a subsidiary company had been formed under the name of the Dominion Realty Company, Limited, to construct and own our smaller buildings, the funds required by this Company over and above the amounts received from the sale of its bond issues being supplied by the Bank's subscriptions

to its capital stock, such subscriptions in every year being less than the total amount written off Bank Premises Account. As we have been called upon since the date mentioned to make large expenditures upon the Bank's new buildings at Montreal and Vancouver, besides considerably increasing our investment in the Realty Company on account of smaller buildings, a revised statement of our total investment in connection with bank premises as at 30th November last will be of interest to the shareholders:—

The lands and buildings owned by the Bank (carefully appraised and full allowances made for depreciation of buildings) are valued at	\$3,173,000
The Bank's holding in the Dominion Realty Company, although the cost thereof has been entirely written off the Bank's books, represents a cash investment of	1,091,000
(The rentals of the buildings built by the Realty Company will in 15 years discharge the respective bonds.)	
Safes and fixtures (depreciation liberally allowed for) are valued at	560,000
<b>Total</b>	<b>\$4,824,000</b>

From this statement it will be noted that our investments on Bank Premises Account are now shown in the balance sheet at only 41 per cent. of their value, namely, at \$2,000,000. We shall shortly have to undertake another large expenditure in connection with the erection of a larger building at Winnipeg, and the increase of branches incidental to the growth of the country will for some years necessitate our making considerable outlays of a similar kind on premises. With the completion of our Winnipeg office, however, our large individual expenditures will be almost at an end, and thereafter your Directors propose that the Bank's investments in Premises Account shall be carried at a figure not exceeding 50 per cent. of their value.

In view of the remarkable prosperity with which this Bank has been favoured during the past few years, we must reckon with the question as to what our duty is to those who have entrusted us with the investment of a large capital. During what may be called the formative period of the Bank we have asked the shareholders to accept a reasonable dividend while we endeavoured to lay the foundations of a safe and permanent business. In the management of our Bank we have had a twofold purpose; first, the permanence and continuity of a service to the country, which must bear some relation to our duty, and second, the successful administration of your property, looking to its earning power now and in the future. With these purposes in view we have had the courage to adopt the policy of erecting a large number of branch buildings, for the time being taxing our profits. It cannot in justice be said that what we have done has exceeded our requirements, or that we could safely have delayed this important work. Our reports indicate what we have accomplished, and we believe that candid consideration will bring a conviction that we pursued the proper course. While there may be some who think we should have been satisfied with a more moderate expenditure, to have done less would have shown us recreant to our trust. The results are seen in our splendid equipment of buildings from ocean to ocean, certainly creditable to our institution.

Nevertheless, we should not forget that you have been exceptionally patient with us in the working out of our plans, and we think the time has now come when the increment from your investment should be larger. It is our purpose to recommend during the coming year an increase of dividend to nine per cent. per annum, with the earnest expectation that our prosperity will before long justify a further increase.

We are not ignorant of the fact that our success would not be possible but for the active, intelligent and loyal support of our staff, and we have always had the heartiest co-operation of your Directors in every proposal for the well-being of the service. We cannot hope to perpetuate our business without giving the greatest consideration to those who carry the heavy burdens of management, and while there is a grateful acknowledgment of past recognition, a desire has been expressed for the establishment of a Widows' and Orphans' Fund in connection with the regular Pension Scheme, which will do much to cement the pleasant relations so long a distinguishing feature in our Bank.

JANUARY 14, 1910

There are no doubt many difficult problems to face in the immediate future, but we have every reason to look forward with the greatest confidence. At the moment all evidences point to a continuation of prosperity, so far as this country is concerned, and we believe the political unrest and financial uncertainty in other lands will be so adjusted that, while we cannot avoid feeling their influence in our affairs, we are not likely to experience any permanent disadvantage.

The President then spoke as follows:—

#### PRESIDENT'S ADDRESS.

The statement we have laid before you, the General Manager's comments thereon and his suggestions as to our future, strike the keynote for most things that can be said about Canada during the past year. We are recovering from the world-wide stringency of 1907 almost too rapidly, and in marked contrast to the years following the panic of 1893. We certainly are not able to discover all the reasons for the remarkable difference between the two periods, but prominent among them, doubtless, are the celerity with which the trading nations of the world now act together when a money stringency arises, the continued large production of gold and the fact that there has been no general re-adjustment of prices, and therefore comparatively few failures. In the case of Canada there are some additional reasons. We are now fairly well advertised in Europe and still better in the United States, and we represent Opportunity to many of those who have energy out of proportion to their surroundings. This is attracting the immigrant as fast as we can settle him, the capitalist seeking industrial ventures, and, still more, the capitalist seeking industrial securities. The first of these two classes of capitalists still comes mainly from the United States, and the second from Europe, but they are not quite so sharply divided as heretofore. With a very large number of new settlers, many new industries and abundant capital, we needed only good crops and the prevailing high prices for food stuffs to accelerate our usual rate of progress.

During the early part of the year the volume of business was considerably smaller than usual and profits were much lessened thereby, but apparently our industries have not had as much to bear in these respects as those of the United States. Prices and the volume of trade, here and in the United States have been improved until conditions are now, doubtless, almost as favourable as before the stringency. These facts are, of course, reflected in our clearing house returns and in the totals of our foreign trade. The total bank clearings of the fourteen Canadian clearing houses for 1909 are \$5,204,000,000, against \$4,142,000,000 in 1908—a gain of 25 per cent. over 1908 and of 20 per cent. over the previous high record of 1907. In 1901 the figures for the eight clearing houses then existing were \$1,871,000,000, and, comparing this with the same cities in 1909, the growth has been 150 per cent. in eight years. During this period the growth in Montreal has been 110 per cent., in Toronto 140 per cent., in Winnipeg 474 per cent., and in Vancouver 515 per cent. In 1909 Montreal represented 35.8 per cent. of the whole clearings, Toronto 27.6 per cent., Winnipeg 14.8 per cent., and Vancouver 5.5 per cent.

The total value of the field crops of Canada, at local market prices, is placed by the Census Department at \$532,992,000 gathered from 30,065,556 acres, as compared with \$432,534,000 gathered from 27,505,663 acres in the previous year.

Judged by the figures for the half-year ending September, 1909, our foreign trade has apparently almost reached the record figures of the year ending March, 1908, the intervening year having indicated the extent to which our trade was restricted by the stringency in money and by other causes. The record figures of the fiscal year ending March, 1908, were:—Imports \$370,731,000, exports \$280,006,000, a total of \$650,737,000, the excess of imports being \$90,725,000. For the year ending March, 1909, the imports were \$309,674,000, the exports \$261,512,000, a total of \$571,186,000, the excess of imports being only \$48,162,000. For the six months ending September, 1909, the imports were \$183,534,000, an increase over 1908 of \$34,084,000; the exports \$131,189,000, a gain of \$12,483,000. The excess of imports in the six months was enlarged to \$21,601,000,

so that the tendency to improvement in that respect has passed for the time being. It is worth while to compare the total foreign trade of 1908, \$650,737,000, with that of 1898, \$304,475,000, and that of 1888, \$201,097,000.

The basis of our trade relations with Great Britain has been improving, leaving out of account the abnormal year ending March, 1909. Taking the years 1901, 1902 and 1903 together, for every \$35 of products exported to Great Britain we received \$15 in goods and \$20 in cash. During the years 1906, 1907 and 1908, for every \$39 of products exported we received \$25 in goods and only \$14 in cash. As we look to England to buy almost all of the securities with the proceeds of which we pay for our surplus of imports, and as practically all of the cash received both for surplus exports to Great Britain and for securities sold goes to pay the United States, any improvement in our imports from Great Britain at least tends to make the situation less one-sided. When we turn to our trade with the United States there is no improvement in the proportion between exports and imports. In the years 1901, 1902 and 1903, for every \$38 of goods imported from the United States we sent to that country \$21 in products and paid \$17 in cash. During the years 1906, 1907 and 1908, for every \$62 of goods imported we sent them \$31.50 in products and paid them \$30.50 in cash. It is well also to note that the increase of our exports to Great Britain in the short period used for comparison is as \$39 to \$35, while the increase of our imports from the United States is as \$62 to \$38. It would, undoubtedly, be wise for the United States to take payment to a greater extent in products, and we can afford to smile at threats of disturbance to such a total of trade as they enjoy with us. The discussion in the United States of the Payne tariff bill shows no disposition on their part to take a broader view of their relations with us; indeed, quite the reverse, if we are to judge by the power to annoy us given to the Executive of the United States. But the fact that we intend to manage our natural resources in our own way, to favour Great Britain in our tariff relations, and to make such trade arrangements as we choose with other countries which are disposed in turn to treat us well, will be accepted, and the great and rapidly growing trade between Canada and the United States will not be seriously checked, as it was in other days of tariff manipulation, when we were not so important as trading neighbours.

#### THE MARITIME PROVINCES.

The varied interests of the Maritime Provinces, taken together, have provided another year of reasonable prosperity, although the protracted coal strikes have curtailed the general trade of the communities directly concerned. In most parts farmers have had good crops with high prices. More attention is being paid to dairying and cattle-raising, which latter had been neglected of late years, and more intelligent methods of farming are being generally introduced, while a keener interest is being shown in farmers' associations, agricultural colleges and similar means of improvement. Large yields of grain per acre can be obtained in many parts; and great fodder and root crops and good grazing areas could be secured by a more intelligent direction of energy. The value of the field crops of the Maritime Provinces is as yet very small, being for the past year only \$49,684,000. The apple crop, both in yield and prices, has been unusually satisfactory, and in some parts the growing of other fruits is becoming an important and profitable feature. Fishing, although, as usual, very uneven as to the catch of different kinds and as to the fortunes of different fishing areas, has produced a more profitable result than the average. As might be expected from the conditions of foreign trade, the cut of lumber has been kept down; stocks, however, have been nearly cleared out, and, in consequence, the outlook for the trade is again satisfactory. Manufacturing interests have had a moderate revival and the prospect for a still larger volume of sales is good. In general trade the note is one of distinct hopefulness; orders are plentiful and prices have a tendency to advance. The most important industrial incident of the year has been the settlement of the long-standing dispute between the Dominion Iron & Steel Company and the Dominion Coal Company, and this has been followed by a partial but substantial union of interests which should ensure the maximum of prosperity to the two companies. Both companies have done well

during the past year, although the profits in both cases have naturally been affected by the prolonged coal strike, which began in July and lasted several months. The Steel Company is making extensions and improvements to its plant, which must largely increase its output, and apparently the demand for its product is such that the enlarged production can be readily sold. The Coal Company, as a result of the strike, reduced its output about one-quarter—say, from 3,300,000 tons to about 2,500,000. It has now nearly a full complement of men. The output of coal for the whole province of Nova Scotia available for sale, which was about \$5,500,000 long tons in 1908, decreased over \$1,000,000 tons in 1909.

#### ONTARIO AND QUEBEC.

The year has been a prosperous one for the farmers of Ontario and Quebec. Despite much unfavourable weather, the crops were, as a whole, above the average and brought excellent prices. The agricultural areas, the weather conditions and the nature of the crops vary so much in these provinces that the yield has ranged from scanty to abundant, but there seems to be no district in which general prosperity among the farmers is not admitted, and in which this is not shown by their power to buy and to pay debts. The value of the field crops of Ontario and Quebec for 1909 as given by the Census Department was \$290,469,000. In some districts steady improvement in farming is clearly evident. More attention is paid to tilling, the destruction of weeds, rotation of crops, good seed and manuring than ever before, and where the farming is at its best, the yield per acre of grain is not only increasing but puts to shame most other parts of North America. In other districts, however, the profits of farming are not what they should be, and it is hard to keep the young men from going to the West. Notwithstanding the world's high prices for wheat and the large yield per acre in these provinces, the quantity of wheat grown in them will, doubtless, lessen in proportion to other products, and even now there is very little to sell. The farmer finds his profit more and more in dairying, the raising of cattle, horses, hogs, fruit, vegetables for canning, poultry, etc. We do some things, however, badly. We could supply the world with the finest apples, and well-ordered orchards pay an unusually handsome return, but as a rule everything in the apple business, from the care of the trees to the landing of the fruit in Europe, is done in a more or less shiftless manner. On the other hand there are districts where direct attention is given to fruit growing, and in these there is a marked improvement and the great value of these products is being realized. We have in our West and elsewhere great markets for horses, but we do not try very hard to improve the breeding, although we know that everything in the end depends on that. And as to breeding, the same may be said of those who rear cattle.

Because of the great increase in Western and other home consumption of articles produced on Eastern farms, our exports of certain articles—noticeably dairy products—are falling off. This falling off is much to be regretted, as greater energy would apparently have enabled us to supply both markets more completely. It seems, indeed, true that in very many parts of Eastern Canada, while the money result makes the farmer comfortable, the land is not being worked to the best advantage, and the product must be less in quantity than in the past. Where the farming represents the high intelligence of our agricultural colleges, conditions are better than ever before and the outlook is excellent; but where intelligence is not so great, and especially where the land does not respond readily to cultivation, conditions are not improving, and we fear this statement applies to a larger area in Eastern Canada than does the more favourable one. From the less prosperous districts, men are still going to the West, and in all parts of Eastern Canada an ever-present trouble is the lack of sufficient farm labour. This causes many kinds of difficulties, besides the obvious effect on the volume and cost of production. Indeed, we cannot have the best possible farming even where intelligence is at its highest, because every farmer finds himself forced to adjust his scheme of farming to the labour he can secure. Intensive farming would be best for the country as a whole, because by it the largest gross value per acre would be produced, and the farmer would thus have more to spend on labour and supplies; but scarcity of labour makes him turn grazier, so that he may get a satisfactory net profit with the least

outlay possible for labour and supplies. On the other hand it has brought about an extraordinary advance in labour-saving farm machinery.

Partial drought and high prices have apparently lessened the number of animals on Ontario farms. As compared with 1908 the Government returns to 1st July show diminished numbers in milch cows and other cattle, sheep, swine and poultry, and only in horses is the number larger. The shipments of apples from Montreal were 581,000 barrels, the average for ten years being 445,000. The export of butter has nearly ceased, the shipments from the same port being 39,000 packages, against 573,000 in 1905, the collapse in 1907 being clearly maintained. A very largely increased home demand will hardly explain this. In cheese the shipments were 1,827,000 boxes, worth \$17,225,000, the average for five years being 1,996,000 boxes, worth \$18,417,000. We used to explain the fall from the high figures of 1903 by the development of the production of butter, but now we must admit that we have less dairy products to export than formerly, whatever be the cause. At the same time, Great Britain does not need our dairy products as much as formerly. New Zealand, which five years ago supplied only 4 per cent. of the cheese imported from the colonies, now supplies 20 per cent. Notwithstanding improved facilities, grain exports are smaller than in 1907 and 1908, being over 27,959,000 bushels, against an average for five years of 28,143,000 bushels. In flour, however, there is a large increase, the shipments being 1,713,000 sacks and 210,000 barrels, against 1,128,000 sacks and 167,000 barrels in 1908. Live stock shipments are smaller than in any recent year, but for several reasons the figures do not illustrate the trade as a whole. The Harbour Commissioners are steadily improving the facilities of the port of Montreal, with the hope of making it the foremost port on this continent. The volume of shipments from Montreal and of inland shipments through the Lachine Canal both show a gratifying increase over 1908.

In manufacturing the conditions are very satisfactory, having regard to the recent check. As the year advanced, there was a steady increase in orders, with an improvement in prices. Not many new factories were built, but additions to existing plants were quite numerous. There are, of course, exceptions, but at the close of the year the majority of the factories in Ontario and Quebec were working at full time, many had increased their output over all past records, and nearly all have the promise of a larger volume of business in 1910 than ever before, orders from the West being unprecedentedly large in many lines. There has been great expansion in the volume of trade in steel, iron and metal goods of all kinds with a considerable increase in prices. Flour milling has been abnormally profitable. In lumber the cut of pine for this year has apparently been completely sold, and higher grades of lumber sell readily, but in box lumber and in lower grades the market still needs some improvement. The outlook as a whole is very good. The new cut of logs will be dearer than that of the previous year, because of a recovery in the wages of the men. The most important event of the year in connection with our forests was the action of the Government of the Province of Quebec in connection with the export of pulp wood with a view to the preservation of the great forest areas of that province. Much activity in building is general throughout the greater part of Canada, and in the smaller cities as well as the larger ones business properties are being sold at prices which would have been very surprising a few years ago. To a satisfactory extent these sales represent investments of capital unaccompanied by mortgages for part of the purchase money.

The mining business of Ontario centres at Cobalt, and here the production is the largest on record. The growth of this mining camp is sufficiently remarkable to make the figures for the last six years interesting. The value of the production has been as follows:

1904	\$ 136,217
1905	1,485,570
1906	3,573,908
1907	6,155,391
1908	9,133,378
1909 (estimated)	12,000,000
	<b>\$32,484,464</b>

Taking into consideration the ore reserves in sight and without reference to the effect of the price of silver, the



The prospects for the lumber market in the Prairie Provinces, which in addition to the increasingly important stocks of spruce and poplar produced by their own mills, consume large quantities of pine, fir and cedar from North-Western Ontario and British Columbia, are quite good. During the early part of the year the retailers, after their experience in 1908, were slow to buy until the crops were assured, and prices were therefore unprofitable to the manufacturer, so that the year as a whole is not likely to be very satisfactory, although much better than 1908. Since the assurance of good crops, both the volume of sales and the prices have so improved that an active and profitable business is already being done.

It is thought that the population of the three provinces is now nearly 1,250,000. Even based on the Census Department reports to 31st March, with estimates for foreign immigration since, but not for movement from Eastern Canada, the figures are 1,162,000. It is evident that our estimate of last year, namely, 975,000, was too low. In addition to the unusual movement from the United States, there has also been a large number of immigrants from Europe, but the decrease from Europe as compared with 1908 is pronounced. The character is, however, so much better, and their declared possessions in money and other values so much greater, that these considerations more than compensate for the loss in numbers. The outlook for immigration next year is exceedingly good in all directions.

Such prosperity has naturally excited real estate speculation, and the pace at which prices are rising and the tendency of ill-informed people to invest their money in suburban schemes in which the adjacency to solidly settled parts is often in inverse proportion to the claims of the dealers in this respect, is again apparent enough to warrant a caution on our part. There is, of course, a great legitimate increase in values both in the farm and in the cities, but those who buy on margin, or who buy without knowledge of surrounding conditions, are sure to be punished in a majority of cases. Winnipeg has now a population of about 150,000. The building permits to the end of November covered 2,904 buildings to cost \$9,152,000, as compared with 1,740 buildings in 1908 to cost \$5,427,000. It is the third city in Canada, and although we think of it mainly as a great market, it has already 180 factories employing 11,000 people. Like Chicago in earlier days, it may astonish us in this respect before many years have passed. In any event, when in 1912 the Centenary of the Landing of the Selkirk Settlers is celebrated, it will have a record of growth to show which will be worth much to Canada as a general advertisement of the whole West.

Extensive new mileage has been built by the three railway corporations, particularly in Saskatchewan and Alberta. Great improvements in the way of double-tracking and to roadbeds and terminals have also been made, and again the crop has been moved to the head of the lakes in a satisfactory manner.

The plans of the several companies formed to supply water to the dry lands of Southern Alberta are now beyond the experimental stage, and great success is attending their efforts to obtain settlers. Of the western section of the Bow River area, being developed by the Canadian Pacific Railway, only about 15 per cent. is still unsold, and the energy and intelligence of this great corporation in establishing demonstration farms, in discovering new kinds of crops, supplying good seed, making first improvements and breaking the land for settlers, limiting the holdings of individual settlers, and advertising the country in Europe and the United States, quite apart from the great irrigation works themselves, should command the admiration of every Canadian.

Doubtless few people in the East realize the extent to which our western and north-western lakes have been supplying fish to the United States markets. The value of the catch this year is from \$1,000,000 to \$1,500,000, and it includes seven important species of fresh-water fishes. The lakes of three provinces are being fished, namely, Lakes Winnipeg, Manitoba, Winnipegosis, Dauphin, Lake of the Woods, Rainy Lake, Lake Athabasca, and other large bodies of fresh water north of Edmonton and Prince Albert. The supply of fish in these waters is practically inexhaustible if properly protected, and as a result of the findings of a Commission appointed by the Dominion Government it is hoped that every necessary step will be taken. It will be a great calamity if their history is like that of the Great Lakes in Eastern Canada.

Summing up the trade conditions for these provinces, it may safely be said that, as in the East, the volume of trade has increased as the year progressed, and that the level of 1906 has doubtless been reached by almost all trades, while many are doing a larger business than ever before. The extent to which retail trading is being done on a cash basis is gratifying, and in marked contrast to the early years of settlement in the Eastern provinces.

#### BRITISH COLUMBIA.

The few great land industries of British Columbia, lumber, coal, copper, fruit, etc., have naturally responded to improved trade elsewhere, and the business of the coming year promises, in many branches, to be the greatest in volume yet experienced. In lumber, with the mountain mills, the year began with a hesitating market, but as soon as good crops in the adjacent provinces were assured, business increased, so that the volume for 1909 was about double that of 1908. Prices are now higher than at any time during the last two years. The mills, after a busy season, began the winter with small stocks on hand, and the outlook for next year, both as to volume and prices, is most satisfactory. Owing to the lower United States tariff considerable quantities of lumber have been shipped to Chicago and other United States markets. The coast mills have not done quite so well, and the increased United States tariff on shingles has hurt that important trade. But the prospects for the lumber business generally are of course much better, and it is hoped that the coming year will show results more nearly akin to those of the mountain mills. The most interesting feature in this industry at the moment is the possibility of timber leases being made permanent instead of being granted only for rather short terms of years.

The total output of coal was about 2,300,000 tons, as compared with 2,112,000 tons for 1908 and 2,220,000 tons for 1907. Strikes and accidents, as usual, somewhat lessened the quantity mined. Many new coal areas, particularly in British Columbia and Alberta, are being opened, and there is no doubt that coal-mining will continue to keep its place as much the most important of our mining industries.

With the copper market in a dull state and with prices at 12 1-2 to 13 cents a pound, it is only natural that the Boundary mines should not show an increase in output over the record of last year; still, the figures are only slightly lower, the quantity for the past year being 1,588,000 tons. The largest company has taken advantage of the dullness to make great improvements, and with the general recovery in business a larger output than ever before is probable in 1910, for the accomplishment of which the equipment is superior to that of any previous year. Notwithstanding the low price of copper and the low grade of the ores, the year has been profitable to the leading companies, which shows how stable the basis now is for the copper industry in the Boundary district. Only a very small part of the known mineral area is being worked, but its possibilities are shown by the fact that the largest company now has furnaces with a capacity of 5,000 tons daily, and a converting plant with a capacity of 40,000,000 lbs. of copper per annum, while the plant as a whole is the largest in the British Empire and the second largest in the world. The company next in size is also working towards a much greater output, its well-balanced plant needing nothing but enlargement. As a whole, the conditions of mining elsewhere in lower British Columbia have improved during the year. The total value of all classes of minerals produced in British Columbia in 1909 was about \$24,500,000. Dear labour and insufficient transportation and smelter facilities are the main obstacles in the way of greater success. In addition to the areas tributary to the White Pass and Yukon Railway referred to a year ago, we now hear of important discoveries in the Portland Canal district, which bid fair to result in a large mining camp immediately. In the Queen Charlotte Islands and in the Skeena River district there is some mining activity, much hindered, of course, by lack of communication with the outside world.

The salmon pack for the year was 920,000 cases, much larger, as usual in the quadrennial year on the Fraser, than for 1906, 1907 and 1908, but quite unsatisfactory as compared with the pack of 1,167,000 cases in the quadrennial year 1905, or of 1,236,000 cases in 1901. The short-

age was more than accounted for by the loss in the sockeye pack on the Fraser River, which was only 450,000 cases, against 837,000 in 1905. On the Puget Sound the sockeye catch was 962,000 cases, against 1,100,000 in 1905. Doubtless there were less fish actually running than usual, although there were other causes for the smaller pack. The fish taking Fraser River and the Sound together. The fish came so late that at the end of the close season on the 27th August, there had not been half the usual catch on the Fraser, and many fishermen stopped work at this time, so that the late run was partly lost. Again on the Canadian side the close season in each week was increased to 42 hours and rigidly enforced, with other restrictions, while on the United States side whatever may be the Federal regulations nominally, there were really no restrictions. The weather also favoured the Sound, causing the fish to remain there longer than usual and thus enabling twenty-five to thirty per cent. of the Puget Sound catch, a much larger percentage than ever before, to be taken by purse seiners using power boats. Our own regulations seem to be both adequate and efficiently enforced, but unless the United States joins us both in making and in enforcing regulations looking to the preservation of salmon fishing in these waters, disastrous results, for which there will be no excuse whatever, must follow. In salmon fishing in other Canadian waters the catch was somewhat less than in 1908, and this is also true of halibut fishing so far as Canadian vessels are concerned. Herring fishing is growing satisfactorily and promises to be an important feature if properly cared for. Poaching by United States vessels still continues, although the Dominion Government has done something towards the protection of our waters. If foreign vessels are allowed to take immense catches of halibut in our waters, it is only a question of time when these fishing areas will be seriously depleted. We get precisely the same statement as to the facts, whether from Prince Rupert or from Vancouver, and there can be no doubt but that we must act with greater vigour and employ a larger number of government cruisers. Elsewhere we give figures showing the enormous money value of the salmon catch of the Pacific Coast waters.

Much new land is being brought under cultivation for fruit, whether in irrigated areas or elsewhere. In the Okanagan valley the trees suffered from frost and the yield was not more than forty per cent. of what it would otherwise have been. Elsewhere the crops were also less than normal because of the cold winter, and the whole quantity marketed was naturally small, although very important and often very profitable to the district concerned. It is the future which promises large figures for this industry. The purchasing power of the adjacent provinces will be enormous, and the areas being planted in British Columbia promise large quantities. Transportation and systems of packing and marketing are the most serious problems, and these are receiving the keen interest of the Government.

New areas, suitable for agriculture and grazing, are being brought into prominence, and having regard to the high price of land, the cost and scarcity of labour, the physical difficulties of clearing and lack of transportation facilities, the growth of settlement is very satisfactory. Few parts of the northern world will give so generous a response to the labour applied to the land as British Columbia.

In many of the towns and cities there is the same activity in building and the same advance in real estate values as elsewhere in Canada. Unfortunately, as elsewhere, many inexperienced people are speculating in real estate on a margin, and generally it is in real estate at a distance, about which they know practically nothing except the rosy promises of the promoter. In Vancouver and Victoria building permits show a large increase, the figures in Vancouver being about \$7,000,000 for 1909, against less than \$2,000,000 in 1904, with an unbroken record of increases in each successive year between these dates. The assessed value of property in Vancouver which in 1900 was less than \$20,000,000, was in 1909 over \$72,000,000, while the great growth in clearing houses figures has already been mentioned. Speculation in real estate is inevitable with such facts to promote it, but it is hardly possible for Eastern people to understand the prices which are being paid. They simply do not bear any relation to the past experience of such a city as Toronto, and those who invest should surely not do so

unless they feel that they have personal knowledge of the property or have every reason to place full confidence in their advisors. The probability that speculators will be punished for the excessive prices being paid for outlying properties in this city is almost the only cloud over the prosperity of the province at the moment. Transportation engages the attention of the people perhaps more than any other industrial subject, and the prospect for a great increase in mileage is excellent. The financial position of the province is now so strong that it can well afford to help sound undertakings of this kind, especially as the opening up of many most promising districts depends absolutely on railway facilities.

#### UNITED STATES.

In the three Pacific Coast States in which we are directly interested the conditions are not markedly different from those of Canada. The business of the year was much better than that of 1908, and even if disappointing in the rapidity of recovery in some branches, at the end of 1909 almost all kinds of business were doing as well or better than in 1906. The year was marked by two of the so-called Expositions, which in new countries do much to advertise resources and industrial possibilities. At Seattle the Alaska-Yukon Pacific Exposition was a complete success. Although sensibly moderate in size, it was visited by 3,700,000 people, and appears to have done good to the whole coast; the authorities were able to pay their obligations and to return something to those who as shareholders projected the enterprise. The City of San Francisco also, by the Portola Festival, celebrated the discovery of the bay by Gaspar de Portola, and incidentally the recovery of the city from the great earthquake.

In lumber the recovery has been slower than was expected. As elsewhere, a growing improvement took place as the year progressed, and the outlook for a prosperous year in all branches in 1910 is excellent.

The wheat crop of Oregon, Washington and Idaho was 61,000,000 bushels, against 40,210,000 in 1908 and 60,242,000 in 1907. The price has been so high that the farmers have doubtless made much more money out of this crop than in any preceding year. California and Mexico are now becoming such large consumers of Pacific Coast wheat that European shipments are declining.

Fruit growing of the same character as in British Columbia is already developed on a large scale in Washington, and the business thus far has done so well that large new areas are being added yearly. Reliable statistics are not yet obtainable, but apparently about 300,000 acres are already under irrigation, with about 50,000 acres in addition in process of completion. Of this irrigated land about 40,000 acres are already in orchards, and this is being added to at the rate of about 20,000 acres each year. The value of orchards in full bearing is about \$1,500 to \$2,000 per acre and the profit is naturally very large to justify such prices. This will decrease when larger areas come into bearing, but some idea of the future value of the irrigated areas in Canada may be gained from the fact that the total value of crops of all kinds, fruit, alfalfa, timothy, roots, etc., in Yakima County, Oregon, for 1908, was \$25,776,000. In California the fruit industry is doubtless the most important at the moment. The yield of the past year was not nearly as large as the unusual crop of 1908, but the year was a normal one. Shipments of fresh fruit have been larger than ever before and up to the middle of November reached 15,000 car loads. The shipments of citrus fruits from Southern California also exceeded all previous records, having been for the season ending 31st October, 38,971 cars against 28,500 in 1908. The pack of canned fruit is only about two-thirds of that in 1908, but this is because of the abnormal quantity in that year. The market is now in excellent condition and that year. The market is now in excellent condition and that year. The market is now in excellent condition and that year.

All that we lost in the salmon catch of the Fraser River, Oregon gained in Puget Sound, and the year was the largest on record except 1901. On the Columbia the catch was smaller than in 1908 and in the Alaska rivers it was also slightly less. But prices have been excellent, and although this is the quadrennial year in which part of the canned stock has usually to be carried over, this year stocks are practically all sold. In order to emphasize the desirability of conserving our own fisheries, it may be well to give the quantities caught this year:

Alaska . . . . .	2,332,806 cases
Columbia and minor rivers . . . . .	391,800 "
Puget Sound . . . . .	1,561,574 "
British Columbia . . . . .	967,920 "

Total . . . . . 5,254,100 cases

The value of the total pack is nearly \$20,000,000.

The production of petroleum in California is now much more valuable than the production of gold. In 1908 in eight counties the product was 48,306,000 barrels, worth \$26,560,000. The product for the whole State is estimated at 60,000,000 barrels, the equivalent of a large part of which in coal would have had to be sought elsewhere if oil had not been discovered. It is not clear, however, that it could have been obtained elsewhere, so that the effect on transportation and manufactures of the oil product and the importance of the supply being reasonably permanent is obvious.

The trade with Alaska would have been less than in 1908 but for railroad construction. The gold receipts at the Seattle Assay Office to 31st October have been \$11,822,000, against \$17,300,000 in 1908. Nome, like the Yukon, no longer keeps up the high production of its early days, but Fairbanks has produced the largest amount in its history. Part of the decline this year is due to the Yukon gold no longer being sold in Seattle. Until the new system of mining by companies with extensive plants is fully under way the total output is not likely to be as large as it may well become a few years hence. Coastwise shipping has been unprofitable because of the decline in the Alaska gold output, in the lumber trade, and for other reasons, while the foreign shipping trade has been much worse.

The sugar crop of the Hawaiian Islands, which we always consider in connection with California because the banking business connected with it centres mainly in San Francisco, was larger than in the previous year, being about 550,000 tons, and while prices early in 1909 were below those of 1908, at the end of 1909 they were higher. The planters made handsome profits, which are reflected in the continued large dividends by the sugar companies. Despite the promise of larger crops in Cuba and elsewhere there seems to be no probability of an over-supply of sugar, the demand being quite equal to the supply. We again quote the total value of the products of the rich State of California, which for 1909 reached \$465,000,000.

With such conditions in the three States we hardly need to say that there has been the same activity in building as in Canada, although happily with less speculation in real estate. There has been, also, the same movement towards the extension of transportation facilities, and, in a marked degree, the same scarcity of labour of a suitable class for a new country as yet without many kinds of industries.

Throughout the United States trade conditions have been improving as with us, and promise for 1910 larger figures than ever before. The prospects of tariff changes increased imports, and the short crop of cotton lessened exports, and as a result, for the ten months ending 31st October, 1909, the excess of exports was only \$165,000,000, against the abnormal figures of \$502,000,000 in 1908, and the more normal figures of \$292,000,000 in 1907. Money has been plentiful, although not so easy as a year ago. Prosperity has, as usual, caused people to forget the experiences of 1907, and there seems no immediate prospect of a reform of the currency and banking system.

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

Mr. Lash—There is no provision at the present time for the widows and orphans or other dependents of those who die in the service of the bank. The benefit of the pension fund is confined to those who retire. The bank feels that to establish a widows' and orphans' fund will be the crowning act in the interests of the staff as a whole, making them feel when they enter the service of the bank that it will be wise to look upon it as their life's work. The resolution which I have to submit to you is as follows:—

Whereas the benefit of the existing pension fund of The Canadian Bank of Commerce is confined to employees of the bank who, after long service, are compelled to retire:

And whereas it is expedient and just that provision should be made for the widows and orphans or other dependents of employees who die in the service:

And whereas in addition to being just towards such employees the establishment of a widows' and orphans' fund would, together with the pension fund, be of great assistance to the bank in securing and retaining the services of an efficient staff of employees, which is essential to the continued and progressive prosperity of the bank, and would be otherwise beneficial:

And whereas in the opinion of this meeting the time has now arrived for the establishment of such a fund;

Be it therefore resolved that the Board of Directors be and they are hereby requested to take this matter into consideration and they are hereby authorized to establish in connection with or separately from the pension fund, as they may think best, a widows' and orphans' fund by means of which fair and reasonable provision, as determined by the board, may be made for the widows and orphans or other dependents of deceased employees—and the Board are hereby authorized to devote from time to time for such purpose so much of the surplus profits of the bank as may in their judgment be necessary, provided always that the amount so devoted shall not, without the sanction of the shareholders, exceed \$20,000 per annum.

Under the authority of this resolution, if it be passed, the Board will be enabled to consider the whole subject and make careful enquiries and actuarial calculations with reference to the nature of this fund, as to whether it will be possible to establish it as part of and in connection with the Pension Fund and the Insurance Fund, or as a separate matter. It is a difficult subject and one which will call for a very great deal of consideration, but the shareholders may, I think, rely upon it that the directors will deal with it in the same way as they have dealt with other funds—namely, on scientific principles and in the true interests of the bank itself, of its shareholders and of its staff.

Mr. Flavell—I have great pleasure in seconding the resolution.

The President—I wish to emphasize Mr. Lash's last words, in case you may not have caught their significance. The Pension Fund of this bank was established originally upon a scientific basis, upon the best actuarial evidence we could get, and one of its conditions, a condition which we regard as vital, is that every ten years or so the fund shall be examined actuarially so that it may be determined whether or not it is still upon a scientific basis. Funds of this character in banks and Government institutions have repeatedly broken down through the omission to keep them on a strict actuarial basis.

Mr. George A. Somerville—I desire to move 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.

I think the shareholders generally will agree that the statement that has been presented to-day is one upon which they, as well as the President and Directors, are to be congratulated. To declare the usual dividend of eight per cent., to have written \$400,000 off bank premises, and to have increased the balance carried forward by about half a million dollars, is something to be proud of. The item of \$300,000 previously written off bad debts is an item which indicates the policy of the directors in a very unmistakable way. It has generally been understood that for years past it has been the policy of this bank to write every doubtful and bad debt down to the bone, and the fact that items like this \$300,000 come back occasionally is very gratifying to the shareholders.

Another item for congratulation is the President's address. It has been a matter of common knowledge for years that this address has been read with as much interest in financial centres abroad as in Canada. For that address the President is entitled to the thanks, not only of the shareholders of this bank, but of Canadians generally.

Mr. Blaikie—It gives me great pleasure to second this resolution. The statement which is in everyone's hands speaks for itself, and tells in no uncertain manner that the directors have done their duty well, that they have made money for the shareholders, and everybody ought to be well satisfied.

The President—On behalf of the directors I thank you very much for the resolution, and I can only say this, that we work hard, the board as well as the officers of the bank, and sincerely do our best to carry out what we realize more and more is one of the greatest industrial trusts in Canada.



# REFERENCE DIRECTORY

## Legal Firms, Brokers, Agents, Etc.

### McGibbon, Casgrain, Mitchell & Weldon

T. CHASS-CASGRAIN, K.C., VICTOR E. MITCHELL,  
A. CHASS-CASGRAIN, J. W. WELDON,  
H. M. McDOUGALL, J. J. CREELMAN.

**SOLICITORS & BARRISTERS-AT-LAW**

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