

## THE BANK OF MONTREAL—Continued.

4.69 per cent. at the same date in 1913. It is satisfactory to be able to state that this has been accomplished without restricting the legitimate demands upon us by our merchant and manufacturing clientele in Canada. It is the case that our current loans in Canada, which, as you are aware, are mainly to the mercantile community, are lower now by \$10,172,653.79 than they were at the corresponding date last year, but I desire to make it quite clear that the reduction was ante bellum, and that there has been an increase of over three million dollars in such loans and of over thirteen million dollars in total loans in Canada since the outbreak of war.

It is only fair to add that the wisdom of keeping our secondary reserves, viz.: our call loans—in London and New York instead of in Canada has once again been strikingly demonstrated. If the war had found us in a reverse position it would have indeed been a serious matter, not only for ourselves but for the entire community. In other words, the wisdom of this Bank in having its call loans available outside of Canada in time of stress is now being splendidly justified.

### MUNICIPALITIES.

Our loans to Municipalities stand at \$9,017,324.26 as compared with \$5,227,905.74 at the corresponding date last year. A very large proportion of this sum has been advanced in anticipation of tax payments.

Loans have been made against the security of debentures in certain instances, but only as a matter of public policy to enable our civic clients to pay for work to which they were committed, or where the health or safety of the citizens was at stake. We have felt it our duty to urge upon both our Provincial and Municipal friends the wisdom if not the imperative necessity of refraining from committing themselves to fresh capital outlay and of limiting their expenditure to essential undertakings. I am glad to be able to say that as rule our advice has been well received, and in most cases conscientiously followed.

### PROVINCES.

I would now like to briefly recite to you the situation as we find it in our various Provinces.

#### PROVINCE OF ONTARIO.

General conditions in Ontario are moderately satisfactory. Crops have been quite good, with high prices, and profitable results have accrued generally to those engaged in agricultural pursuits.

The lumber trade is dull.

The production of silver in the Cobalt District shows a slight falling off.

Manufacturing has been quiet, with a material reduction in the labour employed, particularly in those industries producing machinery and agricultural implements.

Wholesale conditions are reasonably satisfactory, but retail merchants are feeling the decreased volume of business consequent upon reduced wages and pay-rolls.

Urban real estate is inactive, but a lower level in prices is inevitable.

#### PROVINCE OF QUEBEC.

Reasonably satisfactory conditions prevail throughout the Province of Quebec, which, if less progressive than some of its sister Provinces, is also for the same reason less liable to periods of depression.

Agricultural conditions have been reasonably good.

The lumber trade has had an average year and the price and demand from Great Britain are improving, due to the closing of the Baltic and the curtailment of the cut in Russia consequent upon mobilization.

Manufacturing industries have been quiescent with fewer operatives employed, but textile and certain other lines are stimulated by orders from abroad.

There has been little movement in real estate, but nominal values have not appreciably fallen.

#### MARITIME PROVINCES.

Though the Maritime Provinces are not enjoying the same measure of prosperity as a year ago, economic conditions may be summed up as being fairly healthy, and surprisingly good as compared with those the world over. This, perhaps, may be attributed to the fact that previously there has been an absence of inflation and fictitious prosperity, and consequently no severe reaction.

The farmers are more than usually prosperous. The apple crop has been large and of excellent quality, but this unfortunately is offset by the low prices prevailing.

Much money has been invested in the black fox industry, but this business has proved hazardous, and the possible result of a marked decline in prices must not be overlooked.

The demand and price for lumber declined during the early part of the year, but the foreign trade is improving with a resultant upward tendency in prices.

The fishing industry has been less satisfactory. The catch shows a reduction and lower prices prevail.

There has been a diminution of upwards of 250,000 tons in the coal mined in Nova Scotia as compared with last year, largely accounted for by the partial closing down of steel plants and other allied industries. This unfavorable feature of the situation is reflected in the manufacturing towns.

### NORTH WEST PROVINCES.

In the North West Provinces agriculture and stock-raising are of primary importance, and all other industries and businesses are more or less directly or indirectly dependent upon the success of the farming community.

The results of the crop for the year 1914 have been satisfactory. Certain districts suffered severely from drought at the critical period, and the total yield is consequently less than last year, but with the higher prices prevailing the value of the grain produced is somewhat greater. More land is being brought under cultivation, and owing to the early harvest and favourable autumn it is expected that a record acreage will be under crop next year.

Mixed farming is receiving more attention with gratifying results and more live stock is being raised.

The flour mills are well employed, but other manufacturing industries are quiet.

Trade conditions are not altogether satisfactory, but credit is granted less freely than formerly.

There has been a decline in realty values with few transactions.

The North West Provinces undoubtedly are passing through a period of stress, but with their great areas of good farm lands still uncultivated capable of producing vast food supplies, we look to the future with a justifiable measure of confidence.

### PROVINCE OF BRITISH COLUMBIA.

British Columbia, after nearly two decades of almost continuous prosperity, development and expansion in business is now suffering from reaction, accentuated by the general commercial depression and world-wide financial distress.

Agricultural conditions continue to show improvement. Crops are good, but the prices for fruit have not come up to expectations. There is a tendency to increase the production of live stock, for which the demand is good.

It is a matter of common knowledge that the lumber business has been in an unsatisfactory state resultant upon over production, restriction in building operations throughout the West, and American competition.

It is estimated that the total mineral production for 1914 will be 75 per cent. of last year. Consequent upon the inactivity of the smelters, the collieries also are not doing so well, and the output of coal has been greatly diminished.

The fisheries have had a successful season. The salmon run has been good with a ready demand and satisfactory prices. The halibut catch also has been satisfactory, but the market is less so.

Provincial and municipal expenditure is of necessity being curtailed.

The year 1914 has marked an almost complete cessation in real estate speculation with a general decline in values.

### NEWFOUNDLAND.

General conditions in Newfoundland, England's oldest colony, cannot be described as altogether satisfactory.

The pulp and paper industry is normal. The catch of codfish, the great staple product of the country, has been smaller than usual and the outbreak of war practically demoralized for a time the usual markets, resulting in a slackened demand and low prices. In both, however, I am glad to state an improvement is now perceptible. The seal catch was almost up to the average but the lobster catch has been unsatisfactory.

As trade conditions in Newfoundland are governed almost entirely by the return from fisheries, business generally is affected disadvantageously this year and the immediate outlook is somewhat uncertain. Nevertheless it is well to bear in mind that the Island's all important product is a staple article of food and it may be that the war, so far disadvantageous, may presently prove otherwise.