Bracebridge, Ont., and at Dauphin, Manitoba. Your directors are pleased to be able to report that the progress made by each of these new offices has been satisfactory.

Money has continued in abundant supply during the year, and your directors have not found it necessary to avail themselves of the authority given them at the last annual meeting of the shareholders, to issue five thousand shares new stock.

The usual careful inspections of all the offices of the bank have been made during the year.

The officers of the bank continue to perform their respective duties to the satisfaction of the directors.

All of which is respectfully submitted.

CHARLES MAGEE,
President.

GENERAL STATEMENT.

Liabilities and Assets as on 30th November, 1897.

LIABILITIES.

Notes in circulation	$1,392,705.00
Deposits bearing interest ...	5,078,982.90
Deposits not bearing interest	895,049.74
Deposits made by other Banks in Canada	4,132.36
Balances due to other banks in foreign countries	371.31
	$7,371,241.38
Capital (fully paid up) ...	$1,500,000.00
Rest	1,125,000.00
Dividend and Bonus	75,000.00
Former Dividends unpaid...	1,108.00
Reserved for interest and exchange	14,464.00
Rebate on current discount	50,757.85
Balance of Profit and Loss Account carried forward	45,772.96
	$2,812,102.81
	$10,183,344.14

ASSETS.

Specie	$ 153,282.58
Dominion Notes	438,730.75
Notes of and Cheques on other banks in Canada...	130,422.76
Deposits in other Canadian Banks	574,458.20
Balances due from banks in foreign countries	295,662.18
Balances due from banks in United Kingdom	23,362.37
Dominion government debentures or stock	394,702.77
Deposited with Dominion government for security of note circulation ...	60,000.00
Canadian Municipal Debentures	128,237.04
	$2,108,958.65
Call Loans on Stocks and Bonds	249,186.00
Loans and bills discounted	7,551,190.71
Overdue debts (estimated loss provided for)	35,965.30
Real estate, the property of the bank other than bank premises	13,440.28
Mortgages on real estate sold by the bank	10,504.20
Bank premises	124,000.00
	$10,183,344.14

Liabilities and Assets as on 30th November, 1898.

LIABILITIES.

Notes in circulation	$1,428,055.00
Deposits bearing interest...	5,472,202.14
Deposits not bearing interest	1,077,618.87
Deposits made by other banks in Canada	499.85
Balances due to banks in foreign countries	939.91
	$7,979,356.07
Capital (fully paid up) ...	$1,500,000.00
Rest	1,170,000.00
Dividend and bonus	75,000.00
Reserved for interest and exchange	15,792.50
Rebate on current discounts	34,257.00
Balance of profit and loss account carried forward...	46,057.06
	$2,841,106.56
	$10,820,462.63

ASSETS.

Specie	$ 68,102.90
Dominion notes	452,604.50
Notes of and cheques on other banks in Canada ...	242,599.53
Deposits in other Canadian banks	241,758.11
Balances due from banks in foreign countries	166,217.83
Balances due from banks in United Kingdom	402,122.94
Dominion government debentures or stock	394,702.77
Deposited with Dominion government for security of note circulation	65,000.00
Canadian municipal debentures	357,605.16
Provincial bonds	69,920.00
	$2,559,643.88
Call loans on stocks and bonds	$ 972,476.21
Loans and bills discounted	7,109,656.47
Overdue debts (estimated loss provided for)	26,514.73
Real estate the property of the bank other than premises	11,675.64
Mortgages on real estate sold by the bank	11,690.75
Bank premises	128,800.00
	$10,820,462.63

GEO. BURN,
General Manager.

The president, Mr. Charles Magee, then said:

"Following the example of some of the other banks, we have this year printed the figures of last year's general statement in parallel columns with those of this year, which will render it unnecessary for me to do more than refer in general terms to the differences, as the shareholders can make the comparison for themselves.

"You will of course note that there is a decrease in the net earnings for the year of about $16,000. This is accounted for partly by the competition in rates for the better class of commercial business, and the lessened demands of the same class of borrowers, and in addition to these two causes, the slow and gradual movement of the crops in Manitoba is responsible for a considerable reduction in our earnings in that province. The increase in deposits is nearly $600,000. Loans and discounts are less by $441,000. Call loans on stocks and bonds have increased $723,000, making a net increase on all classes of loans of only $281,000. Investments in provincial bonds and municipal debentures have increased by about $300,000, and the amount due from banks in Great Britain is $378,000 greater than last year. The meaning of this is we are suffering from a plethora of money, through the deposits from the public increasing faster than we can find safe and profitable employment for the money, and the bank has been obliged to lend more on call at lower rates and invest in municipal and other bonds, which yield only a low rate of interest. The bank is, however, in consequence of this state of things, in a strong position, having a reserve of about 33 per cent of its liability to the public in assets readily available without including loans on call, besides being in a position to entertain new business of a desirable kind when it offers.

"The opening of four new offices within the year shows we are endeavoring to meet the legitimate wants of the people in the newer districts and within what might be considered our sphere of influence, and to provide for representation of the bank at the larger centres of commerce.

"With regard to the lumber trade which has in the past and still continues to give employment to a large proportion of our resources, I am glad to know that recently a distinct improvement is noticeable in the demand for the grades usually sold to the American market, with quite a perceptible hardening in prices, while indications are not wanting that Great Britain's requirements will be as large as for several years past, and that values will be fully maintained. We must, however, recognize that in so far as the manufacture of sawn lumber at the city of Ottawa and vicinity is concerned, it is a diminishing industry. There is, however, every reason to believe that the water power at the Chaudiere Falls can and will be profitably employed in other branches of manufactures, doubtless, with increased outlay for skilled labor, which will have a tendency to advance the growth and increase the prosperity of the city.

"The utilization of pulp made from spruce and other woods hitherto considered of but little value, in the manufacture of paper and other products, has added immensely to the value of our forests, and many limits in the Ottawa and other lumber districts, denuded of the merchantable timber, but having a large quantity of young spruce trees on them, may be considered valuable properties, and possibly a more valuable asset than a gold claim in the Klondike.

"Two years ago I referred to the opening of the Parry Sound railway, and I am pleased to learn that I did not over-rate the importance of this new line connecting the Great Lakes with the Atlantic seaboard, and while benefiting Ottawa, it is benefiting Montreal to a much greater extent. The export of grain from Montreal during the season of 1898 increased by about 11,750,000 bushels over the season of 1897, and of this increase the Canada Atlantic and Parry Sound railways carried over nine million bushels, besides over 40,000 tons of flour, meats, and other products, and almost all of this was new business to the port of Montreal, and did not effect the other two great railway systems. It was business diverted from Buffalo and New York to Parry Sound and Montreal, and from American to Canadian railways and steamships. This new business has been done under great difficulties, owing to the inadequate warehouse and other accommodation at Montreal. Montreal harbor may be called a Dominion harbor. Situated as it is at the head of ocean navigation in summer, it is the entrepot for Ontario and the western provinces. It is governed by a local harbor board, the chairman and several members of which are appointed by the Dominion government. I allude to this matter to-day because Ottawa interests are liable to suffer. We are not interested in the question of the location of the dry dock in Montreal nor in the contest between the land owners in the east end and vested interests in the west end of that city, but we are interested in having there additional