

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