

not applied, suspension and bankruptcy are the inevitable result. In some districts of Ontario, however, crops were unusually good, and particularly in the fine agricultural region bordering on the western division of the Grand Trunk railway. The result was the exact opposite of all that has been before stated. Farmers had abundance of money, notes were promptly taken up, indebtedness reduced, and a general air of prosperity pervaded the community. But the severest disappointment has been felt in Manitoba. There never were such fine crops on the ground as there were in Manitoba this time last year; but when the period of harvesting came on the weather proved unfavorable. In some districts frost, and in others a kind of blight, destroyed considerable portions of the crop and largely reduced the quantity available for export. The increased price obtained, however, somewhat compensated for this heavy drawback. And frost did not prevail in every locality. Some districts escaped it entirely, and many farmers were able to sell a large crop at a high price, and thus place themselves in a splendid position. The amount of money realized by the farmers of Manitoba did not therefore fall much short of what was realized the previous year. The advantage to all concerned in the development of trade in the Northwest is obvious. The area of cultivated land in the Northwest is constantly increasing, and careful observations are being made with regard to the manner in which damage from frost may be avoided and the best returns from the land obtained. Cattle and dairy interests are also having increased attention and with good results.

On the expiry of the bank charters next year the address touched as followed:—

The charters of the banks expire on 1st July, 1891. There are some reasons why the Banking Act should be carefully reviewed and improvements in detail made to adapt it to existing circumstances. The act, for instance, might be cast into a much more intelligent shape. Some of the restrictions might be modified to the benefit of business. Others of the restrictions should rather be enlarged so as to make it less easy for impecunious speculators to obtain Bank charters.

But it does not seem that any advantage would accrue to the public, but very much the contrary, from any further restrictions of the powers now possessed by the banks for issuing notes. The power to issue is undoubtedly necessary to enable the banks to furnish means for carrying on the business of the country. It has been so ever since banks done business at all in this country. It is important to notice that this power of issuing forms a very large part of the resources of the banks. These resources are placed at the disposal of the mercantile and trading community. To cut off these resources would necessitate such an immense calling in and cutting down of mercantile loans, that a general revulsion and panic could hardly fail to be the result. We have had experience as to the effect of a reduction of loans when only one of our banks adopted a stringent policy of curtailment in Ontario about twenty years ago. The curtailment only amounted to one or two millions; what would be the effect of a curtailment of thirty or forty

millions? There can be no doubt that the whole business of the country would be thrown into confusion if the bank circulation were cut off. Even a partial curtailment would be attended by the same result in a mitigated form. The same effect would be produced by an enactment compelling the banks to buy Government bonds to secure their bills. This would require them to curtail loans to the same extent and the same consequence would follow. But there is no need for such drastic measures. No class of the community are more interested in the stability of banks than bankers themselves. Any well considered measures to secure this end they have always supported. But they object to impracticable schemes or to measures which would throw the business of the country into confusion. The notes have been made safe by being made a preferential charge. This is no mere theory. It has been proved by experience. The last vestige of doubt as to this has just been removed by the final payment of all the notes of that frightfully mismanaged concern, the Maritime Bank, of St. John. The notes of the banks then being safe beyond question, arrangements can be made by which they will pass current at par in all parts of the Dominion. In fact such arrangements are being made already. When the Government has secured that all bank notes shall be safe and universally negotiable, they have fulfilled every public requirement. It is certainly not to the interest of the Government to bring about commercial disaster. The whole matter will receive careful consideration at the hands of Parliament. My general conclusion is that no alteration should be made in the Banking Act, but such as experience has shown to be necessary to its more smooth and harmonious working. The bank has already entered upon the business of another year. We cannot stand still for a day. Operations are now going on and will continue during the whole year, of which we cannot see the issue. I can only hope, with yourselves, that when another year returns, should we live to see it, the directors may be able to present you with as good a report as they have done on the present occasion.

The following gentlemen were elected directors for the ensuing year: Andrew Allan, Esq., Robert Anderson, Esq., H. Montagu Allan, Esq., John Cassils, Esq., James P. Dawes, Esq., John Duncan, Esq., T. H. Dunn, Esq., Jonathan Hodgson, Esq., Hector McKenzie, Esq.

Later in the day the new board of directors met and elected Mr. Andrew Allan, President, and Mr. Robert Anderson, Vice-president.

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