

I must not close without saying a word regarding that occasion, the thought of which is near to the heart of all of us just now, the celebration of the sixtieth year of the reign of Her Majesty the Queen. It is not only the occasion of the tribute of affection to a noble woman by the greatest Empire the world has ever seen, it is also the celebration of the progress of that Empire. To those Canadians who recall the fact that in the first year of Her Majesty's reign we were fighting for the privilege of a Government responsible to the people, it must, regardless of political convictions, be a source of pride that in the ceremonies connected with the Jubilee the representative of this country takes precedence of all other colonial representatives. We have always been the first to insist on the right of self-government, and perhaps largely because of this we now take our undisputed place as the most important of those countries which constitute the Greater Britain.

I have now pleasure in seconding the adoption of the report, which will be seconded by the vice-president, but before submitting it for your approval I will ask the general manager to address you.

The vice-president briefly seconded the resolution, and the general manager then spoke as follows:—

#### GENERAL MANAGER'S ADDRESS.

It is not easy in a few words to describe the condition of agriculture and trade in Canada during the past year, except that the general result has been unsatisfactory. Our farmers in Ontario have suffered so much during the past three years from meagre crops and low prices that their purchasing ability has, as we all know, seriously diminished, and with their customary caution even those who are able to buy have become very economical. On the one hand we see the desire to get out of debt, shown by the continued satisfactory payment of implement notes and maturing interest on mortgages, with some reduction of principal, and on the other a determination not to buy anything that can be avoided. Eventually this must produce good results to the country as a whole, but for the time being it means the steady restriction of the volume of trade. What with the farmers' inability to buy and the concentration of business in the departmental stores, it is not surprising that the country dealer has in many cases been obliterated.

We are passing through what is always hard to bear patiently—a period of readjustment, not essentially different from other periods of readjustment, but much more widespread and severe in its results. The general range of prices has fallen, a more economical scale of living is being forced upon almost everybody, profits in business have been cut down most seriously, and the volume of trade is not only much diminished, but enormously so when measured in money. Few can escape the effects of this, whether they be farmers, trader, manufacturers, or bankers.

#### AGRICULTURAL INTERESTS IN ONTARIO.

Those who indulged, a year ago, as many of us did, the hope that a revival was not far off, are now able to understand why it has been delayed. The grain crops in Ontario varied considerably. With a somewhat better price for wheat, no longer an important crop here, we had an unsatisfactory yield, while the satisfactory crops in coarse grains met about the worst market on record. In the dairy and cattle-feeding departments of farming, the present much improved conditions came too late in the year to more than mitigate an otherwise very bad situation. The one exception was enjoyed by those who were fortunate enough to have a good supply of properly-fed hogs to sell.

Our business, however, is to address ourselves to the year which lies before us, and whether it be because we are always hopeful at this time of the year or not, there seem to be many things working together for an improvement. The weather, it is true, has been cold and wet, but while this may not be so good for some growing things, in this grazing and dairying province splendid pastures and the promise of a fine hay crop is one result, and this will outweigh any damage to grain crops, although there is no reason to apprehend very much damage at the moment. We are reasonably certain, therefore, to increase our product of cheese, butter and fat cattle, in view both of the abundant grass and the improved prices, while the promise of fruit is almost as great as last year.

It will be remembered that in our great industry of cheese-making we had to report an unfortunate condition as to prices last year, the first serious check we have ever

experienced. We had shipped 165,382,000 pounds, as against 147,030,000 pounds for the previous year, yet had received \$570,000 less in money. For the season 1896-7, the figures are reversed. The year began with very low prices, reaching the lowest point since 1879. This naturally produced an increased consumption, and the season closed with very small stocks on hand, the price having correspondingly improved. During the year we shipped 162,844,000 pounds, against 165,382,000 last year, but we received \$14,310,000, against \$14,114,000 last year, or \$202,000 more money for 2538,000 pounds less cheese. But inasmuch as a heavy stock of Canadian cheese was in the dealers' hands at the close of 1895-6, which appears in the returns as shipped in the season of 1896-7, while a very light stock existed at the close of 1896-7, it is estimated by some experts that the quantity made last season was 8,000,000 or 9,000,000 pounds less than in the previous year, the highest ever reached.

The market opened this year with active buying at old-fashioned prices, and, as we have said, considering the price and the condition of pasture, we may hope for a very satisfactory season.

The natural effect of low prices for beef and bad hay crops has been to create in North America a scarcity of fat cattle, and now that prices have advanced an active market has opened in the United States for both fat animals and those in condition to be put on grass. It is to be hoped that this will not have the effect of lessening the number to be fed in Canada this season. Cattle, as a rule, came through the winter in good condition, and brought good prices this spring, so that this industry—one of the most important in this province—may now be said to be again on a satisfactory footing. Following the collapse in the trade in horses, caused by the introduction of electricity as a carrying power, a trade is being slowly built up in a special breed of heavy draught horses suitable for Europe. The four-legged animal which has paid the farmer best, however, is the pig. In connection with the proposed free import of corn, much has been said about the quality of our hogs, as compared with those fed in the corn belt of the United States. Quite apart from the general merits of free corn, it is well to bear clearly in mind that we have built up a position for our bacon in Great Britain which places it in the first rank, and while this is largely due to good curing, the foundation is a well-fed pig. It has taken years to establish the reputation and obtain the extra price for bacon made from our meat-fed hogs, and this may be ruined in a few seasons by feeding our hogs mainly, or to a greater degree than heretofore, on corn.

#### LUMBER.

It is to such a degree a time of waiting in connection with the lumber business that it seems hardly safe to say much about it. Those who are able to make timber, deals and thin lumber for the British market are in these respects doing as well as ever. The cut of deals in the Ottawa district has been already sold at satisfactory prices, and although there is a larger quantity in this country than since the season of 1889-90, this is owing to the high freight rates demanded last autumn, and is counterbalanced by correspondingly lower stocks in the yards in Great Britain. The lumber which comes from the remainder of the cut where deals are made, and the entire cut in districts where the pine is of inferior quality, is in the main prepared for the United States market. That so long as vast quantities of Canadian logs are exported in order to supply Michigan mills with sawing, our lumber should also go free of duty into the United States, is a statement which would be accepted by any fair mind if tariffs were based upon the principle that trade relations to be lasting must have reciprocal advantages. But we are face to face with perhaps the most narrowly selfish attempt ever made by a nation to absorb all the advantages of trade with other nations and give nothing in return. If the duty on lumber is put at \$1, with no import duty on logs, we would doubtless impose no export duty, but if a prohibitory duty is to be imposed on lumber and pulp, while sawlogs and pulpwood are to be admitted free, this will practically stop all manufacture of lumber and pulp in the portions of Canada less favored than others for the European trade, and it will remain for us to consider whether we are to submit to such an unfair action by the United States. In the meantime large stocks of lumber are held in Canada, and the cut of logs, whether intended for manufacture into lumber at home or in Michigan, is much curtailed. As we have said, we are waiting, both for a settlement of the tariff and a revival of trade with the United States.