

of our present commercial relations with the United States. Under these circumstances parties engaged in business would do well to promote the manufacture and cultivation of articles which may be advantageously exchanged in foreign markets. Several subjects of routine duty and minor importance occupied the attention of the Council during its term of office; among them may be mentioned the action again taken at the instance of the trade in putting a uniform discount of four per cent on American silver, the recommendations of the Council and Board having been very generally carried into effect, the silver grievance no longer exists. Few places have benefitted more than Toronto by the recent revival in business, especially in the exports of the great staples of Western Canada. In this respect we are far in advance of every other market in the country. Toronto being the great distributing point from which the bulk of the cereals from Canada West is shipped to the various American ports on the great chain of lakes, our custom house returns show an increase of \$926,000 over last year; this amount would, beyond doubt, be largely increased had the shippers of produce made due returns of their shipments. Business acquired such a sudden impulse on the conclusion of the harvest that difficulty was experienced in finding vessels sufficient to move grain and lumber from the ports on Lake Ontario. This great increase in business required a corresponding extension of the currency, which rose from \$8,445,068 in August last to \$44,158,313 in October, being an expansion in two months of \$5,713,245, or nearly 60 per cent, while the line of discounts in the same period was increased by only \$2,874,959, about the same amount it stood at in 1860, five years' previous and less by nearly \$20,000 than in December, 1864. Deposits also participated in the general prosperity, having accumulated nearly of \$76,000,000 within the year, while the specie in the bank vaults an increase of more than \$2,000,000. This must be a gratifying result to all interested

in the prosperity of the Province, our monetary institutions being, in a great measure, the pulse of the state of trade, as shown by these figures. The necessity of improving our system of agriculture and opening up new sources of industry for the development of the latent wealth of the Province is now more than ever impressed on the council. In this connection we cannot but advert with satisfaction to the enterprise of some of the members of the board in endeavoring to introduce the culture and manufacture of flax, which so far promises to be highly beneficial to both producers and manufacturers. The large amount of capital now invested in producing petroleum or rock oil, in the district of country lying in the neighborhood of Enniskillen and Bothwell, deserves a passing notice, as showing the sudden importance that the discovery of a vein of long dormant wealth has given to a tract of land hitherto regarded as of but little value. Another branch of industry has lately been introduced and is now being tested in several localities, viz., the manufacture of pure wine from grapes, the growth of the country. So far as yet ascertained, it has been attended with complete success, and we learn that measures are being taken for a great extension of this highly important business. It must prove remunerative to the producer in yielding a larger return for his capital and labor than the ordinary cultivation of a farm, at the same time that the consumer would be supplied with a pure wine at a lower rate than it could be imported. As several of these sources of industry are but partially developed, it might be deemed presumptuous to predicate a successful issue to all of them, but present indications are certainly in favor of their future growth and importance to the wealth of the country.

All of which is respectfully submitted.

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