

Early estimates made by competent judges were in the neighbourhood of 200 million bushels. However, since then, these estimates have been reduced to about 180 millions, owing to subsequent unfavourable weather conditions. While the quality this year, as a whole, is not all that could be desired, the average prices being paid for the lower grades are even better than the prices obtainable in many previous years for the higher grades, and consequently the net cash returns will be the largest ever obtained from our Northwest.

When considering the effect of the wheat crop in relation to its influence on the prosperity of our Dominion, the value of the other cereals produced in our Northwest must not be overlooked. If we accept the present estimates of the various important grains, which are as follows:—

Wheat	180,000,000	bushels
Oats	200,000,000	"
Barley	35,000,000	"
Flax	7,000,000	"

The cash value to the farmer, at the average prices prevailing to-day, would be approximately over \$235,000,000, no inconsiderable sum, considering that this is exclusive of the farmers' receipts from various other sources, such as live stock, hay, root crops and dairy products.

Railway construction especially in the Northwest continues to manifest great activity; and while in its immediate effect it benefits the country by the expenditure of money and the employment of labor, where the lines are judiciously chosen, it prepares the way for settlement and affords facilities for intercourse and ready access to markets.

Most worthy of note are the extensive irrigation works in the Northwest by which the arid lands are converted into fruitful fields destined to become the homes of a large farming population. As to the ready made farms they cannot be supplied fast enough to meet the wants of would be settlers. While the railway took the initiative in this enterprise, it is being followed by large landholders and capitalists, of Great Britain, who, from patriotic motives in some instances, are making such investments with the view of supplying homes and giving a fresh start in life to the surplus population of the Mother Country. Experimental farms for the instruction and convenience of settlers are also of immense advantage and are gradually being extended to every province of the Dominion.

A review of the various branches of trade and industry throughout the Dominion is beyond my province, although the Bank in its widespread operations is vitally interested in the commercial life of the country, and touches it at every point. I, therefore, attempt but a brief summary.

The dry goods trade of 1911 has been somewhat unsatisfactory. In the Spring stocks were heavy and the demand light, this being to some extent a legacy of the previous year. But a decided improvement has set in with much better prospects.

In Canadian cottons a largely increased trade has been experienced with firm prices, and imports are gradually decreasing.

Early in the year also our Woollen and Worsted manufacturers suffered from the competition of foreign imports. Goods intended for the United States, where the markets were overstocked, were according to Bradford reports, sold in Canada at a sacrifice, but that condition of things has been overcome and the mills are now well employed in goods for next season.

Indeed, competent authorities report the wholesale trade to be at present in a comparatively flourishing condition and increasing in volume.

The iron and hardware trade and groceries are said to be decidedly good, although profits are somewhat curtailed by excessive competition.

In boots and shoes a large and apparently profitable business has been transacted, notwithstanding the high price of leather. A most remarkable change has taken place in the values of butter and cheese, as compared with those of a year ago. Farmers have been receiving 3c more per lb. for cheese, and 5c to 6c more for butter. The advance has been realized on a considerable portion of the season's make—indicating that the farmers have received at least \$3,000,000 more for their exports of dairy products than for the corresponding period of last year.

The hay crop of the Dominion for 1911 was less than the previous year, but the farmers have realized from it a larger return by \$2 to \$3 per ton, and a good demand exists both in the United States and Great Britain.

The export of cattle continues to grow less each succeeding year, this being due in a great measure to the larger consumption of the home market and the increasing population both in the East and West.

The fisheries on our Atlantic Coast have been exceedingly prosperous and last year everyone who handled fish made money through the transaction. The fisherman had the biggest catch and obtained the highest prices recorded. This is true generally both in regard to our Maritime Provinces and Newfoundland.

With regard to the Pacific Coast, the Salmon pack is reported to have been an average one. The market is active and prices good. Other fishery conditions are generally satisfactory.

Recent changes in the tariff of the United States and the comparative failure of the Water powers in that country have brought the pulp and paper making in Canada into prominence. Several of our Mills have been successful in their operations; and with our extensive spruce forests and unsurpassed hydraulic powers this industry is sure to find a natural development in this Country.

The Lumber trade has been poor throughout the year especially in British Columbia, which has had to face the keen competition of the Western States whose lumber has been forced upon the Canadian markets in consequence of the almost complete paralysis of business in their own neighbourhood. In the East and especially of late, there has been experienced a marked improvement both in export and local account. In the latter there has been an unprecedentedly brisk and profitable demand in consequence of the activity of building operations.

This leads me to remark upon the Real Estate transactions which in some districts savour too much of speculation. In Montreal and other large Eastern cities prices have long been in a measure dormant, until recently when the public suddenly realised the necessity of providing homes and commercial buildings for the vastly increased population. Hence the rise in values which is not without justification.

The business of the port of Montreal shows a healthy increase. The total quantity of grain exported during the season of navigation is about 29,388,359 as compared with 26,349,514 bushels last season, while the exports of flour have almost doubled.

With the high prices of agricultural produce prevailing the farmers of Canada have had a profitable year, which is reflected in the satisfactory condition of the general business in all portions of the Dominion.

There can be no more certain indication of the business activity and general prosperity of the country than the railway earnings, which are phenomenally large.

I regret to announce the retirement of Sir Edward S. Clouston, Baronet, from the General Managership of the Bank. After 47 years of service, 20 of which have been passed in the Chief Executive Office, it is natural that he should seek some relief from the arduous duties of that position. I am happy to say, however, that his mature judgment and great experience will still be available to the administration, when required, in the less strenuous office of Vice-President.

He will be succeeded by Mr. H. V. Meredith, an able and well qualified officer, who will surround himself with such capable assistants as are always to be found on the Staff of the Bank.

SIR EDWARD CLOUSTON.

In seconding the adoption of the Report, Sir Edward Clouston said:—

As the President has dealt with the general business of the country, I will confine the few remarks I make to the statement, a copy of which you have in your hands.

To meet the wishes of the Shareholders, expressed at several of our meetings, and to conform to the custom of the other Banks in Canada, we have shown the amount expended on new Bank Premises during the past year. We have also obtained valuations of all our lands and buildings, and I do not think we can be accused of overvaluation when we place the value in our statement at \$4,000,000, somewhat less than the value of the land alone. In fact, to the amount of \$9,000,000 should be added the cost of uncompleted buildings, making it \$700,000 more. The increase of \$3,400,000 over former statements has been employed partly to increase our rest to an amount equal to our Paid-up Capital, and the surplus has been carried to our Profit & Loss Account. Speaking as an individual, and in no way as a mouthpiece of the Board, I would not advocate increasing, in future, our Rest beyond the Paid-up Capital. I should always like to keep the Profit & Loss Account at its present amount, as a Reserve, to be used when the Directors might see fit to do so in the interests of the Bank, and any surplus profits, after full appropriations have been made I would suggest distributing among the Shareholders.

The shrinkage in deposits, as compared with last year, is accounted for by the fact that at that time we had very large special deposits, which were shortly after distributed. The regular deposit business of the Bank has been satisfactory. The increase in our Loans is an evidence that our Canadian business is steadily increasing. I think you will agree with me that the statement is a strong and satisfactory statement.

The President has mentioned that I have decided to retire from active Executive work. I have held the stage for a long time (or I find my service in the General Manager's position is more than double that of any of my predecessors). I have kept in mind however, that while Corporations may go on forever, the men who manage them come and go, and with that in view I have always tried to arrange that the exit of any one man should not in any way interfere with the business of the Bank. In passing over the reins of office to my successor, I feel I am doing a good thing for the Bank, and its Shareholders. Mr. Meredith has spent all his active business life in the service of the Bank, is familiar with its policy, is trained in its traditions, and has been uniformly successful in his previous appointments. I have no doubt he will be equally successful in the high office to which he is called, and I am quite satisfied your property will be handled conservatively.

Rev. G. H. Parker then made a brief address, enquiring whether there was a prospect of increased dividends to the shareholders, with the increased earning capacity of the Bank.

Mr. R. B. Angus—"This question has already been dealt with by the retiring General Manager. He was of course only speaking for himself and without any knowledge of what the year might bring forth, when we shall be in better position to ascertain what the profits are. There is no doubt whatever that if the profits are adequate an additional dividend will be paid, but this depends so much on the outcome of the year's business that nothing definite can be said in anticipation."

The annual report was then unanimously adopted.

It was moved by Mr. Hugh Paton seconded by Mr. George Hooper, that the thanks of the meeting be presented to the President, the Vice-President, and Directors, for their attention to the interests of the Bank.

Mr. Hugh Paton—"I am informed that it is not usual to speak to this motion. I will therefore content myself by remarking that it is peculiarly applicable to the present occasion, judging by the events of the year, and the work of the Bank as shown by the report just presented."

The motion was then unanimously adopted.

The President—"Gentlemen, on behalf of the President the Vice-President and Directors I wish to thank you for this mark of your renewed confidence. We have been able to carry on the affairs of the Bank during the year, with the loyal support of the staff, all of whom have been anxious to work for the furtherance of the interests of this Institution. I feel that all the officials and staff have done their duty, and on behalf of them I wish to express our appreciation of the cordial support we have always received in our work." Applause.

Moved by Sir Thomas G. Shaughnessy, seconded by Mr. C. R. Hosmer, that the thanks of the Meeting be given to the General Manager, the Assistant General Manager, the Superintendents, the Inspectors, the Managers, and other Officers of the Bank, for their services during the past year.

This was unanimously adopted.

The General Manager "Sir Edward Clouston"—"On behalf of myself, the Assistant General Manager, and the other officers of the Bank, I wish to thank you for this kind motion. I have always realized that the success of anyone in the position I have held depends largely on the efficiency and loyalty of his staff. I feel that I have had that to a great extent in the past, and on behalf of the Staff I have much pleasure in thanking you for your sign of continued confidence."

Mr. C. H. Cahan, K.C.—"As a shareholder I think it would be an expression of the feeling of all the shareholders of this bank if we, as shareholders, moved an expression of our regret at the announcement of the retirement of Sir Edward Clouston from the chief executive office of the bank, and an expression of our appreciation of the valuable services he has for so many years rendered to this bank and its clients. Sir Edward Clouston has during many years held a very important and distinguished place in the banking affairs of Canada. Not only have his experience and service been of invaluable assistance to this bank, but by his clear judgment keen insight and extended knowledge of business affairs, his advice has been of invaluable assistance to the clients of this Bank, who have frequently used it in times of need."

"As a shareholder therefore I beg to move a resolution expressing our appreciation of the services of Sir Edward Clouston and our regret that the circumstances of his health and long service have rendered it necessary in his opinion for him to sever his connection with the bank as its chief executive officer." Applause.

This resolution was seconded by Mr. James Skeoch, and unanimously adopted.

Sir Edward Clouston: "I must thank the mover and seconder of this resolution, and the Shareholders sincerely for all that has been said. I have always tried to do my best in the interests of the bank during my long connection with it, and feel very keen regret that I am now compelled to sever my connection with it as general manager."

The ballot for the election of Directors was then proceeded with, and without much delay the Scrutineers appointed for that purpose reported the following gentlemen duly elected, the old Board being re-elected:—

Messrs.—R. B. Angus, A. Baumgarten, Sir Edward Clouston, Bart, E. B. Green-shields, C. R. Hosmer, Sir William C. Macdonald, Hon. Robert Mackay, H. V. Meredith, D. Morrice, James Ross, Sir Thomas Shaughnessy, K.C.V.O., Rt. Hon. Lord Strathcona and Mount Royal, G.C.M.G., G.C.V.O.

OFFICERS ELECTED

At a meeting of the Directors held later, the Right Honourable Lord Strathcona and Mount Royal, G.C.M.G., G.C.V.O., was elected Honorary president of the Bank, Mr. R. B. Angus, President, and Sir Edward Clouston, Bart, Vice-President.