

venture may be a source of considerable profit to the Bank. This, of course, time alone can determine.

I have now pleasure in moving 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:—In seconding the adoption of the report, I would like especially to call the attention of the Shareholders to the remark in the report that ample provision has been made for all bad and doubtful debts, and to express the opinion of the Board that this statement is most fully justified. I am glad also to express the appreciation felt by the Board of the ability and prudence with which the affairs of the Bank have been administered during the past few years of financial depression, and, I think I can say, of the very conservative policy which has been followed. I think this is fully shown in the statement of the assets presented to you to-day.

There are good prospects of the return of prosperity, and you may rely on the management of the Bank being ready, as they are fully provided with the means, to take every advantage of the increase in business and to exercise the same care with regard to the investments of the future.

The General Manager then spoke as follows:—

GENERAL MANAGER'S ADDRESS.

In addressing you a year ago, the belief was expressed with some confidence that we were nearing the end of a long period of depression. Such hopes had been entertained before only to be deferred, but this time the turn in the tide of business was so decided that even the most pessimistic must have felt its influence. We have only to walk about the streets of this city to notice the improvement. The vacant houses are fast filling, and probably do not now exceed the natural number in a city of over 200,000 people; good houses of moderate rent are being enquired for, and are evidently becoming scarce; and the building operations of the city which have been so severely restricted for some years have increased for the first half of this year to the largest figures since 1891, being more than twice as much as in 1897. Clearly, we are in the way of surmounting the very bad effects of the collapse in real estate speculation. We are told that houses taken over from defaulting borrowers in Toronto are now being sold in quite satisfactory numbers. Rents are, of course, low, and taxes high, and we see no sign of the losses of the past being retrieved by sharp advances in real estate values, but a healthy condition as to occupancy and ownership is the first requirement. The great danger to be avoided seems to be the return of speculative building on borrowed money, of which there is some sign already. The owners of rented residential properties who are also lenders, and those lenders who have large sums of money depending on the value of residential property, have only themselves to blame if they help others to increase the supply, and thus tend to permanently keep down both values and returns. We are told that the number of farms held under foreclosure or default is lower, both in Ontario and Manitoba, than for many years past, many loan companies having practically no properties of this class on their hands.

AGRICULTURE.

As we all know the substratum of our commercial well-being is agriculture, and this has truly been the farmers' year. Indeed, I believe that many of the farmers of Canada are willing to admit that they have had a good year, and such an unusual admission is significant of a great deal. Wheat has not been sown freely in Ontario for many years, but with a steadily advancing market, ending with phenomenal prices, it is not surprising that in sweeping up the floors of the graneries such an extraordinary quantity turned out to be in the farmers' hands. Many

have held their wheat two and three or even four seasons under the charm of "dollar wheat," actually realized in some cases this time. In Manitoba the yield per acre was disappointing, being about fourteen bushels, but the quality was so good that 92½ per cent. of the crop graded equal to Nos. 1 and 2 hard, while the price was so high that that province has added another year to its recent history of uniform progress. The railways claim to have moved 19,000,000 bushels, which would mean in money to the farmers of the North-West over \$14,000,000. It is no longer a province to which the East finds it necessary to extend its sympathy as well as its financial indulgence. It has instead become the object of our admiration, and sometimes of our envy. Emigrants are now rapidly settling in Manitoba, while at the same time farming operations are being extended in Ontario. Indeed the high price for all kinds of farm products has done much to arrest the withdrawal of men from agriculture to mining and other more precarious pursuits. A greatly increased acreage of wheat has naturally resulted, but with empty graneries in America, and low stocked mills throughout the world, it would seem that we may hope with some confidence for a reasonable price for wheat during the ensuing season. Until the world's stock of wheat again reaches the normal quantity we seem entitled to a price larger than the average of recent years. As far as mere prospect of growth is concerned, the season thus far has been most favourable to grain, hay, and fruit, and everything promises well for a most bountiful harvest.

The farmers during the past winter were in an unusually good position to fatten cattle, the supply of coarse grains and other foods being very large, but as we intimated a year ago, the demand which sprang up so suddenly, both in the United States and Canada, for young cattle to feed put up the price to a figure which in some cases left little or no profit to the feeder. For the same reason, the number of cattle being fed or grazed is in some parts not as large as it should. But as a whole the condition of the cattle business is much improved from the recent years of low prices. The trade in special types of horses for shipment to Europe continues to grow, and to be profitable to those who undertake it intelligently. There has been a large and satisfactory business done in Canada in all kinds of hog products, with a healthy increase in volume over last year. The farmer has received a price for this product which must pay him quite as well, if not better, than the other products of his farm. There are strong complaints in some quarters as to the use of corn in feeding, although other packers think the warning uttered a year ago by those interested has had its effect. Still, it can do no harm to say again, that the high reputation of our bacon, however much due to superior methods of curing, is mainly based upon the methods of feeding, which have prevailed in the past, and this reputation may be ruined in a very short time by the use of corn. We may as well understand that we cannot both force the feeding and the early marketing of the hog on the one hand and continue to obtain the high price on the other.

The season closing 21st March last has been another banner year for cheese. It was felt that the excellent pasturage of 1897 would result in a larger yield, but we were hardly prepared for an output of nearly 200 millions pounds. The precise figures are 198,250,000 pounds against 162,844,000 for the previous year. The price, too, has been very satisfactory, nearly one cent per pound higher on the average than the previous year. The result in money was \$17,900,000, against \$14,318,000, a gain of about 25 per cent. Cheese is being produced in new districts in Canada every year, and the promise for pasturage in 1898 could hardly be better. It is, however, questionable if another great increase for the coming season will be an unmixed blessing. The Canadian farmers did well last year, but we are told that the English dealers lost money, and we may not find a market this year quite willing to consume all