

acting with caution and reserve, which is eminently proper with a conflagration raging next door; but, as the detailed review which follows will show, consumptive demand has been good, and the excellent business of the early part of the year has shown little abatement up to the present time.

**Woolens.**—A good volume of trade in imported goods; our home mills not flourishing under increasing importations.

**Boots and shoes.**—The advance in leather has left insufficient margin, and spring trade is expected to be short.

**Lumber.**—Exports to Great Britain have fallen off, though the total exports may exceed \$30,000,000. The limitation of credit will affect the winter's output, which is expected to be considerably curtailed, and wages are declining accordingly. The demand for pulpwood for the United States continues, and offsets the diminished trade in other directions.

**Iron and hardware.**—The total business large, symptoms of retrenchment now apparent.

**Chemicals.**—Report an increase of 10 to 20 per cent. over last year.

**Grocery trade.**—Large trade, with fair profits, with, however, the usual lull at this season.

**Dry goods trade** has been good, though, in common with other business, a lessening is now visible.

**Cotton manufacturers** have had a busy season, and largely exceed 1906.

The failures of the year do not show a material difference from 1906, being for the whole country 1,187 in number, with liabilities, \$10,259,512, as against 1,257, with liabilities, \$9,954,821 for the year 1906.

Notwithstanding reduced crops, the farmer is being reaped by higher prices: 25 to 28 cents per bushel for wheat; 16 to 17 cents per bushel for corn; 14 cents per bushel for peas, 15 to 16 cents per bushel for oats; \$4 to \$5 per ton for hay. Against this must be set the fact that poor crops ruled in this province, and feed of all kinds is scarce and dear.

The shipping interests have participated in the general prosperity of the country. The passenger traffic has been large, both eastbound and westbound, and of all classes—cabin, intermediate and steerage. A noteworthy feature is that numbers of the latter who, being immigrants in the spring, become emigrants in the autumn, with the intention merely of spending the winter with their kindred and of returning to their work with the advent of spring. The volume of import traffic has been large, and freight rates remunerative. The volume of export traffic has also been large, but freight rates have ruled low. Altogether it may be said that the oversea trade with British and continental ports has been profitable to the shipowner.

Canada has experienced a decade of remarkable commercial expansion. Ten years ago our total foreign trade, on the basis of imports for home consumption and domestic exports, amounted to \$234,926,000; in 1907, on the same basis, it reached \$571,783,000, showing an increase of no less than 143 per cent. According to the census of 1901, our population was 5,370,000, and in the six years which have since elapsed the returns show some 930,000 immigrants to have entered the country for settlement, and adding to these the natural increment, our population to-day is approximately 6,600,000, representing a gain of 23 per cent., as compared with a gain of 143 per cent. in foreign trade. These figures indicate an extraordinary period of commercial development, perhaps unparalleled in any other country.

Domestic trade, measured by the amount of currency in circulation, is seen to have experienced a similar expansion. In ten years the circulation of Dominion notes of small denominations has risen from \$7,560,000 to \$16,430,000, or upwards of 100 per cent., while the bank note circulation has expanded from \$36,000,000 to \$84,290,000, or 135 per cent. These returns are certainly most gratifying, indicating the great natural wealth of the Dominion, the capacity and enterprise of our people.

That the trade has proved profitable and contributed to the enrichment of all classes, the public deposits in the banks, chartered, government and savings, attest. Since 1897, the aggregate of these deposits has mounted up from \$170,000,000 to \$677,400,000, and in the last six years the deposits of the public in the banks have increased from \$74 per head of population to \$103 per head.

This is the bright side of the shield; what of the reverse? We have had, the country over, a somewhat unfavorable year for agriculture. Inclement weather has

reduced the product of cereals, hay and feed, below the normal, and the important dairy output has also been diminished. Higher prices of farm products of all kinds prevail, and it is believed that the higher prices will compensate the farmer for the lessened supply.

The foreign trade balance is running somewhat heavily against Canada. In the five years, 1898-1902 inclusive, the excess of our imports over exports of domestic products was only \$25,250,000, the smallest adverse balance of trade in the history of Canada in a like period. In the five years elapsed since 1902 the value of imports for home consumption has exceeded the value of domestic exports by no less than \$291,850,000, and in the fiscal year ended June 30th, 1907, the excess of imports was \$118,760,000, the greatest in our history. This balance has to be liquidated sooner or later. Foreign loans assist materially in the process, and in the nature of things Canada will borrow largely in the future to carry on the development of her resources. The condition of the foreign money markets may, however, temporarily check the flow of capital into this country, and reduce somewhat the activity of enterprises which contribute to the commercial industrial prosperity of Canada.

A good deal depends on the duration of dear money in the financial centres of the world, and, not having the gift of prophecy, I refrain from expressing any opinion on that point. What the situation does appear to counsel, is the wisdom of refraining from speculative ventures, from embarking much in enterprises in new fields, until capital flows more freely. The general state of trade I believe to be sound, and if we have reached a period of pause, if the pendulum is to swing back somewhat, there is no reason to believe that the recoil will be severe or protracted. The large emigration we are now receiving, the opening of new territory by railway construction, give reasonable assurance of continued commercial progress, while our financial and banking methods are so sound and conservative as to militate, when they cannot altogether prevent the severities of the natural law of reaction.

I beg to move: That the report of the directors now read, be adopted and printed for distribution among the shareholders." If any shareholder has any questions to ask, we shall be pleased to answer them.

The motion was seconded by the Vice-President, and was unanimously adopted, without discussion.

#### AMENDMENTS TO BY-LAWS.

The President then said: On behalf of the Directors, I beg to state that, after consideration, they recommend the directorate be increased from ten to twelve members. To effect this will require a change in the by-laws, and I therefore now move: "That Shareholders' By-law No. III, be amended by replacing the word 'ten,' in the third line, by the word 'twelve,' the by-law, with this exception, remaining the same."

This was seconded by Mr. A. T. Paterson, and was unanimously concurred in.

The President.—This will necessitate a change in By-law No. IX., which states: "In each year any sum of money not exceeding twenty-five thousand dollars currency may be taken by the Board of Directors from the funds of the Bank as remuneration for their services as Directors." In consequence of the increase of the number of members of the Board, from ten to twelve, it is necessary to change this by-law. It is therefore proposed that the sum do not exceed thirty-five thousand dollars; and I move that this change be made. In 1900, when the present number of directors and the sum of twenty-five thousand dollars was made the rule, the position of the Bank was just a little less than half of what it now is. The increase has been more than the doubling of all the main items in the Bank's financial statement. In 1900, the assets were \$79,000,000, and now they are \$165,000,000; the loans were then \$53,000,000, and now they are \$105,000,000.

Mr. A. T. Paterson seconded the motion for the changing of the by-law, and it was unanimously agreed to.

#### MR. CROIL'S ADDRESS.

Mr. James Croil then spoke as follows:

The honour of moving a vote of thanks to the Directors at this time has devolved on me, in consequence of the discovery made in the Transfer Department the other day, that your humble servant is supposed to be the oldest