

Mortgages and other securities the property of the Bank.....	143,938	352,514
Real estate.....	48,137	26,897
Bank premises and furniture.....	532,945	559,848
Other assets.....	27,662	14,038
	<u>\$25,425,413</u>	<u>\$24,259,340</u>

In addition to the liabilities shown in this statement, the Bank is, under obligation to pay \$12,631 yearly in pensions to retired officers for which there is no special provision in the assets.

G. HAGUE, *General Manager.*

THOS. FYSHE, *Joi t General Manager*

The speech of Mr. Hague at the annual general meeting on Wednesday last was as follows:—
Mr. President and Gentlemen:—

The statement presented to you to-day is one of a kind that has not been put before you for the last twenty-one years. The circumstances of that time are, I dare say, fresh in the memory of some here present, and I only recall them to remind you that since the reorganization of 1877 a fairly uninterrupted course of prosperity has attended the Bank. During this time the Rest increased from \$400,000 to the figure at which it stood last year, viz.: \$3,000,000. Another element of calculation has now been introduced into the Bank, in the shape of a co-adjutor to the General Manager, whose conclusions are somewhat different from those that prevailed up to last year, and have resulted in the appropriations such as have been laid before you, necessitating, I regret to say, a cutting down of the Rest to \$2,600,000.

This reduction and the appropriations have arisen from a review of the Bank's business, extending back for a number of years. Now, when adverse conditions are operating, year after year, as has been the case for four or five years past, over such an immense area as that in which the business of the Bank is carried on, it can easily be seen that a difference of a few hundred thousand dollars may arise in the judgment formed by one person, or by another, in reviewing it. This is precisely what has taken place.

I am not sure, personally, if the contingencies of the future have not been too liberally discounted. At any rate, I should not be willing that my record as a banker, or that of our Managers (for they are equally concerned in it) should be finally judged by these appropriations. But whatever my private opinion may have been, I have acquiesced in the general desire felt by the Board, to rather err—if they did err at all—in the direction of making large allowances and taking the benefit of doubts.

The Directors have expressed a hope that there may be recoveries. Time only will show whether this is a well founded hope or not.

One thing is clearly evident from the balance sheet, viz.: that the Bank is financially in a very strong position, having immediately available assets, equal to nearly 50 per cent. of its whole liabilities.—and being in a position to largely increase its commercial business whenever sound and reliable accounts are offered

to us. Its strength, also will enable it to support its customers in a time of difficulty, if they need support and are worthy of it. This has always been the policy of the Bank, and doubtless always will be.

Having said this much with regard to our own position I will add only a word or two as to the business of the country generally. It is not my intention to add anything to what has been so well said in another place as to the general appearance of prosperity in the country at present. Everything that was then said we all heartily concur in.

But I specially call your attention to what was emphasized so wisely by the Vice-President of the Bank of Montreal, viz.: that we are only just emerging from a long continued period of depression. This is most true, and it is in the light of this that I would ask a candid judgment on some of the appropriations made. But a change for the better has undoubtedly set in.

The Province of Manitoba and the adjacent territories have been exceptionally favored this year, having a most abundant crop, which has been realized at prices much beyond anything known during the last few years. In not a few cases farmers have realized nearly the whole value of their property by this single crop, a condition of things which is giving the Province and adjacent Territories such an uplifting as has not been known for some time. A most satisfactory feature of the position is, that settlers are coming in from the adjacent North Western States.

I have long held that it is to this overflow of population into our country that we must look for a larger filling up of the vacant lands than has before been known. We have just as free institutions as our neighbours, every advantage of civilization, a better soil and climate, all educational and religious privileges—in fact, everything to attract a well conducted and industrious population.

It is satisfactory to note that the area placed under crop this year is 20 per cent. larger than before.

Some districts of Ontario are remarkably prosperous under the influence of diversified culture.

But banks occasionally learn by bitter experience that their mercantile customers may fail—and fail badly—even when the country is generally prosperous.

The decrease in insolvencies has not been nearly so marked as might have been expected. There is doubtless a large amount of unsound business still being done in the country, and the credit system is, in some departments of trade, a very bad one still.

In this connection I must say that it is not an unmixed evil that no Insolvency Bill has been passed during this Session. With such a discharge clause as it was proposed to introduce, it would, I am convinced, have resulted in a vast increase in insolvencies in every part of the Dominion.

It is satisfactory to note that Nova Scotia is getting rid of one of the greatest blots in our Legislative system, and that after 1st July no more of those ini-