

THE BANK OF MONTREAL—Continued.

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 \$2.00 to \$3.00 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 fishermen 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 industry in Canada into prominence. Several of our mills have been successful in their operations; and with our extensive spruce forest 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 realized 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 bushels, 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 Management 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 and 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 and 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, for 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 for ever, 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