

lion dollars in value. The season's operations were profitable to both factories and shippers. The experiments intended to demonstrate that butter-making may be carried on profitably during the months unsuitable for cheese-making have been, I understand, a success, and if in the counties in which cattle grazing, cheese-making and the fattening of hogs, interests closely allied, are now successfully carried on, we can add a large manufacture of high-class butter without diminishing the output of cheese, a distinct forward movement in Ontario farming will have been made.

LUMBER AND TIMBER.

We have little that is not favorable to report of the lumber and timber trade. In the Ottawa district the pine timber manufactured was less than three million cubic feet, and adding thereto the stocks held over from previous years on account of the bad state of the trade, referred to in my remarks a year ago, the entire stock held for sale amounted to about five million cubic feet, a quantity considerably less than the yearly product of the seasons 1888-89 and 1889-90. For this there appears to be a satisfactory demand at good prices, so that it may be said that the timber trade has quite recovered its tone, a remarkable and gratifying change in a comparatively short time. In the Parry Sound and North Shore districts very little timber has been made, but there is an increase in the manufacture of deals, the trade in which has also improved considerably. Notwithstanding a slight increase in wages, and more than usual expense in driving owing to the late breaking up of the ice and low water, the bulk of the cut logs will reach the mills in the Ottawa district, and at a reasonable cost. The cut, with the smaller amount than usual held over, makes a stock exceeding last year about ten per cent., but keeps well below the excessive production of 1887-88. The cut of logs elsewhere also somewhat exceeds that of 1890-91.

There has been an excellent market with some advance in prices in the United States, and a partial revival of the trade with South America, apparently indicating a return very soon to the demand which existed before the financial troubles of the last few years. The home consumption is still unsatisfactory because of the decline in building operations. The consumption of pulp wood is increasing very rapidly, and in view of our well nigh inexhaustible supplies of spruce, this is a trade which will soon, if it does not already, occupy a place of great importance among the industries of this province.

STATE OF TRADE

There seems to be little in these conditions to warrant a feeling of disappointment. But there are other conditions. We are suffering all over North America from the waning of a wide-reaching real estate boom. The sudden decrease in building operations has thrown large numbers out of employment, and the supposed profits from real estate operations have in many cases disappeared. Many people are clearly not so well off as they imagined, and a general indisposition, and in some cases inability, to spend money as freely as heretofore is the natural result. Not only have the imaginary profits of past speculations disappeared, but there are at the moment no captivating suburban ventures, nor can the dealers in city lots trade with that certainty of a steadily rising market which has been so much the cause of the activity in business during late years. We have danced, and we must pay the piper with what grace we may.

There is also another grave reason for the dissatisfaction in some quarters with the results of business. There are too many people in business. This is getting to be an old story, but it seems necessary to draw attention to it until the remedy is applied. Small villages complain that their business is going to the larger towns, and the towns complain of the cities. Small manufacturers complain at the consolidations and so-called monopolies, which are becoming as marked a feature in Canada as elsewhere. Retail shopkeepers complain at the great establishments now common in many cities, where almost anything may be bought at a margin of profit, which is ruinous to the small dealer. Unfortunately some people view these changes as abnormal, and seem to be waiting for a return to former conditions. In the meantime the merchant, manufacturer, or shopkeeper who finds himself at a disadvantage tries to meet the situation by the same old method of too

long and too large credits, prices which leave too slender margin for profit, and added expenses in trying to meet his better situated competitors. But these changes, which have concentrated business in larger centres and stronger hands, are but a part of the great centralization in commerce, labor, and so many things, which is one of the most prominent developments of the last decade or two. We have applied the wonderful machinery of the age to the better organization of trade, and as this goes on with remorseless strides the small centres of the world lose their importance, and distance being practically lessened, the area controlled by larger cities or larger business organizations is enormously increased. The farmer's wife does not so often ride in a wagon five or ten miles to the nearest village to make her purchases, but with a Saturday half-ticket goes by rail twenty or thirty miles to the nearest town or city, and with less loss of time and greater ease. The merchant or manufacturer orders his merchandise from the uttermost parts of the earth, by cable if he chooses, with certainty as to the time of its arrival. The farmer raises food on the Western prairies with no thought as to who will eat it, and thus furnishes food for outlandish folks thousands of miles away, of whom he has never heard.

This is a state of things which has brought too much ruin to individuals to warrant one in saying that it is an unmixed good, but it is a change permanent enough in demand that we should meet it with a more ready change of front than we at present offer. We talk vaguely about over-production as the source of many evils in trade, but there are many varieties of over-production. We have produced thousands of new houses in Toronto, clearly not required by the population, but it may not be these which are left vacant eventually, but the older and less attractive houses. In the same way we have a distinct over-production of shopkeepers and other men in business, and the men with the newest methods are apt to drive the others out. If business men find their trade or profits going from them, hard as it may be, they should meet such a state of affairs promptly by turning to some industry in which there is not over-production at the moment. All grumbling to the contrary notwithstanding, there is no over-production in Canadian farming at the moment, and the return from the honest industry of a farmer in Ontario or the North-West is greater proportionately than in any of the ordinary callings of men with which I am acquainted.

We are a thoughtful, self-reliant people, as it becomes all Northern races to be. Instead, therefore, of viewing with envy the instances of rapid money-making in the United States, many in number, it is true, but few in percentage to the toiling millions in that country who may never hope for the comfort which is general in Ontario, let us look steadily at our own country and do what we can, as we have in the past, to increase our moderate but quite sufficient prosperity. Few people have shown in the past more enterprise in proportion to the population than Canada. Looking, then, at our country as a whole, there are at the moment two serious problems before us. We have the greatest system of lakes and canals in the world, and they form the natural highway between the largest food producers of the world and the consumers of Europe. But this great waterway will never be complete until vessels of large capacity can steam from the head of Lake Superior to Great Britain. At the moment bulk is broken at Buffalo, and again at New York, for most of the grain carried by water, while the frequent transshipment enables the railroads to compete successfully. We should carry almost all of the wheat destined for Europe from the United States and the Canadian Northwest down the St. Lawrence, while as a matter of fact we carry very little.

We have also in the Canadian Pacific Railway Company one of the greatest land and water carriers of the world, its pathway stretching from Asia to the eastern shore of America; but, great as this distance is, it is the width of the Atlantic too short to fully meet the requirements of this country. By a special effort, via New York, mails were carried by this line from Japan to England in twenty-one days. We should be able to beat that record without deflecting from the straight path, and without the special effort. By the establishment of a first-class line of fast-going steamers

between Canada and England we can carry the bulk of the merchandise and the majority of the travellers between Eastern Asia and Western Europe through our North-West country. When this is accomplished we shall not want for emigration, although that is but a side issue to the main advantages to be derived from better connection with Europe.

The motion for the adoption of the report was then put and carried.

Mr. H. A. Massey—I rise to move the following resolution:—

"That the thanks of the meeting are due, and are hereby tendered, to the president, vice-president, and other directors, for their careful attention to the interests of the bank during the past year."

It has been my privilege to move resolutions similar to this on other occasions, but in this instance it is with special pleasure that I move it, for I have personal knowledge of some of the workings of this institution, and I know something of the attention of the officers to the interests of the shareholders. I think the latter have reason to congratulate themselves on the manner in which the business of the bank has been conducted for the past few years. There seems to be on the part of the shareholders a feeling of confidence that everything is going all right, and I think they are justified in coming to that conclusion.

The resolution was seconded by Mr. John Scott, and on being put to the meeting was carried unanimously.

The President—On my own behalf, and on behalf of my colleagues, I desire to thank you very heartily for the kind words in which the resolution has been proposed, and the cordial manner in which it has been received. The directors earnestly work to the best of their ability for the interests of the bank, and they appreciate this recognition of it.

Mr. Walter S. Lee—The resolution I am about to move is one I would like to say a great deal about, and could do so with the utmost confidence. You have been furnished this year, and I may say every year under the new regime, with statements that are readable and clear, and that the shareholders have confidence in. I took occasion when you entrusted the bank to the present management to express my faith in the future of the bank. At that time I represented a considerable amount of stock, and though some of the owners thought that it should be sold, my counsels prevailed; the stock has been held from that day to this, and there are no shareholders more satisfied than these I speak of. The bank has been very prosperous for the past five or six years, indeed it could not but be prosperous, because it started out then on a good business basis, had good men for directors, and was well officered. But I need not say anything in regard to the staff, because the reputation of the general manager and assistant general manager extends throughout the Dominion and even to the other side. In speaking of the junior officers I need only refer to the remarks of our able president, who states that the bank has been thoroughly inspected, and that he and his co-directors have the highest confidence in the staff. I trust that the institution may long be spared the services of the able men who now conduct it; there is not a weak link in the whole chain. I predict that next year we shall have as good a statement as we have now, notwithstanding the remarks of Mr. Walker in regard to the plethora of money. I beg to move: "That the thanks of the meeting be tendered to the general manager, assistant general manager and other officers of the bank for the satisfactory discharge of their respective duties during the past year."

This resolution was seconded by Mr. George Robinson.

In putting the motion to the meeting, the president said:

I would like to state that I am not disposed to undervalue the careful deliberations of the board or their sound judgment and wise counsels in directing the policy of the bank, but I am sure they will all agree with me that it is to the care and watchfulness, to the zeal and energy, and to the ability of our general manager and assistant general manager and their staff, that the shareholders are indebted to-day for the highly satisfactory report that has been submitted to you, and for the satisfactory position the bank now occupies. I am sure that this resolution will meet with your cordial approval.

The motion was then carried.