adian Pacific Railroad is a matter of great importance to the community generally, and a subject for congratulation; but there are many who think that the stoppage of the large expenditure, which has been going on for some-time will be attended with serious consequences.

TRADE AND MANUFACTURES.

With regard to manufacturing interests and more especially to the cotton industry, while there is still much to be done before it can be said to be in a satisfactory state, still I think some progress has been made in that direction, and that it is gradually, though slowly, working into a better shape, and it is to be hoped that the bitter experience so dearly bought, will prevent a recurrence of the ruinous competition which resulted so disastrously; but cotton is not the only direction in which there has been over-production; to a greater or less extent, nearly every industry has probably been pushed too far. We see it in every direction, and in nothing more than the overbuilding of railroads. This remark may apply more directly to the United States, but even in this country it is true to a certain extent, which I suppose accounts for Canada being spoken of in a recent article in a financial journal as "the country of light railroad earnings." It is the enormous depreciation in the price of the shares of competing lines that has largely caused the enormous accumulation of unemployed money in the New York banks.

As regards general business, I think it will be admitted that there has been improvement in some directions, and an important advance in prices on certain articles of merchandise; but I am not dealing today with isolated cases controlled by special influences, but with the mercantile business, of the country as a whole. Are the country merchants in Canada buying goods? Are they paying for them? Do they hold large or light stocks? What is the record of failures, etc, etc.? These are the burning questions and they are not difficult to answer. There is a general concurrence of opinion that the imports, especially of dry goods, will be light, and the distribution of goods does not, I fear, come up to the expectations of importers; then there is too much reason to fear that excessive competition, and the absence of profit, is the great feature of the times. As far as I can gather, the stocks held by both wholesale and retail merchants are less than at the same time last year, and though payments have been poor, there are some signs of improvement. The record of failures both in the United States and Canada was alarmingly large during 1884, both in number and amount, though I learn from the best authority that there has been some improvement in this respect since the opening of 1885.

As regards lumber, one of our great staples, it is gratifying to learn that the position and prospects of the business are, upon the whole, favorable.

It is always difficult at this season of the year to speak with any degree of confidence about the growing crops, and this being a backward season increases the difficulty and adds to the risk. Still I am glad to learn that the prospects both in Ontario and the North-West are upon the whole favorable, as far as it is possible to form an opinion; while in the United States the reports are anything but encouraging as regards winter wheat, the latest official estimate I have seen reporting a shortage of 117,000,000 bushels, and the latest news received this morning is still more unfavorable. In what I have said I do not forget that I am talking to intelligent business men, many of whom are as well or even better informed than I am—certainly as to their own particular line, if not as regards the business of the country generally, and if I cannot foresee any more than the rest of you what is before us, I can at least advise you so to manage your business as to be prepared for whatever comes, and if I am to sound the tocsin today the key-note must be "Caution"—no other word will suit the occasion. We have passed through troublous times, and I hope the worst is over, and that we are down to hard pan, but I would not take down the danger signal. My advice to everyone today is to *go slowly*—do not expect any great and general revival of business—if it come so much the better—you will be in a position to take advantage of it, but I am bound to say that at present I can see no great indications of it. There are many thoughtful men who think that this year will be no better than the last, and it is a safe view to take. You cannot go wrong if you hope for the best, but prepare for the worst.

And now, in conclusion, putting everything together, I think I speak the views of my colleagues as well as myself, when I say there is nothing specially encouraging in the outlook. But you will expect me to say something of the bearing of all this upon what we are likely to divide during the coming year. Now, that is a subject upon which I propose to be non-committal; indeed I was about to say that I would make no promises; but on second thought I think I will make one promise, and that is that under no circumstances will we pay a bonus in the fall. I am sure the board will support me in this; in other words, we will pay an interim dividend, but what we may do this time twelve months I cannot say; that will depend upon circumstances. We shall probably do what we have done before, and what we ought always to do, that is be governed by the actual state of the facts and figures at the time. I want to be emphatic about this; therefore don't misunderstand me, what I want to impress upon you is that as far as I am concerned, and as far as one can speak for all, I feel safe in repeating that if the present board should be re-elected there will be no bonus in the fall, altogether irrespective of what the profits may be, and further this deponent sayeth not. He concluded by moving, seconded by the Hon. D. A. Smith, vice-president:—

That the report of the directors, now read, be adopted and printed for distribution among the shareholders.

Hon. Donald A. Smith said, in seconding the motion, "there are two points to which we have attended within the last twelve months which I think are worthy of more than a passing notice. Thus we have at last attained to a bonus, after having a rest of 50 per cent. It has not been accomplished by any fortuitous circumstances, not by any happy *coup*, but by a persevering attention to the affairs of the bank by all those who have administered them during these many years. Another point is that you have now been able to get a pension fund or a superannuation for the officers of the bank. It places the officers of the bank in a very different position to that in which they were formerly. It gives them an assurance that in doing their duty faithfully and well, as they have done, they will have on retiring after an honorable service in the bank something substantial to look to for themselves and their families."

In referring to the uprising in the North-Western Territories, while deploring the troubles and the loss of life, the vice-president considered that, just as there is no unmixed evil in the world, so out of this evil would come good, "for it would cause a knowledge of that country to spread, not only throughout Canada, but throughout Europe, (applause), although this year emigration and immigration into the North-West may be arrested to a considerable extent. Yet I think we may look forward with much hope that next year we shall have even a larger immigration than anything we could previously have hoped for. It is a country such as cannot be held down in the march of prosperity."

The President—Has any gentleman present any remarks to make on the report? Mr. Buchanan will be happy to answer any question that may be put to him.

Mr. Morrison then made a few remarks which were replied to by the General Manager.

Mr. John Crawford referred in complimentary terms to the report and to the management, and mentioned the suggestion about the Government bonds, as worthy of important and serious consideration.

Mr. John Hope moved, and Mr. Hector Mackenzie seconded, the following motion, which was carried unanimously:

That the thanks of the meeting be presented to the president, vice president and directors, for their attention to the interests of the bank.

The resolution was suitably acknowledged by president, who thanked Mr. Hope for the kind terms in which he had proposed it.

It was then moved by Mr. A. T. Paterson, and seconded by Mr. Alfred Brown:

That the thanks of the meeting be given to the general manager, the inspector, the managers and other officers of the bank, for their services during the past year.

This, too, was unanimously adopted, and the general manager, Mr. Buchanan, returned thanks on behalf of himself and other officers of the bank.

The voting for directors was then proceeded with, and the formal adjournment took place.

The scrutineers reported the following gentlemen duly elected directors:—Alfred Brown, Geo. A. Drummond, Hon. John Hamilton, Hugh McLennan, Alexander Murray, Alex. T. Paterson, Gilbert Scott, Hon. D. A. Smith, and C. F. Smithers.

DOMINION BANK.

The annual general meeting of the Dominion Bank was held at the banking house of the institution, in Toronto, on Wednesday, May 27, 1885.

Among those present were:—Messrs. James Austin, G. Boyd, Walter S. Lee, James Scott, Hon. Frank Smith, R. S. Cassels, Anson Jones, W. T. Dingle, Wilmot D. Matthews, R. H. Bethune, E. Leadlay, Aaron Ross, George Robinson, S. K. Dingle, Wm. Ince, E. B. Osler, and others.

It was moved by Mr. G. Robinson, seconded by Mr. Wm. Ince, that Mr. James Austin do take the chair, and Mr. Wilmot D. Matthews moved, seconded by Mr. James Scott, that Mr. R. H. Bethune do act as secretary. These motions being carried and the president having taken the chair, the secretary read the report of the directors to the shareholders, and submitted the annual statement of the affairs of the bank, which is as follows:—

REPORT.

Balance of profit and loss account 30th April, 1884..............		$ 8,632 63
Profits for the year ending 10th April, 1885, after deducting charges of management, etc., and making full provisions for all bad and doubtful debts......		203,496 51
		$212,129 14
Dividend 5 per cent., paid, 1st November, 1884	$75,000 00	
Dividend 5 per cent., payable 1st May, 1885	75,000 00	
		150,000 00
		$62,129 14
Carried to reserve fund	$50,000 00	
Written off bank premises account	10,000 00	
		60,000 00
Balance of profit and loss carried forward..		$2,129 14

The alterations and additions to the Head Office which were in progress last year are now nearly completed, which the directors trust will meet the approval of the shareholders.

It will be observed that $10,000 has been applied to the reduction of the bank premises account out of the profits of the year, a policy of writing off more or less every year, as circumstances warranted, having been observed since the bank commenced business.

A vacancy at the board was caused in December last by the resignation of Mr. Crowther, which was filled by the appointment of Mr. Wm. Ince, of the firm of Messrs. Perkins, Ince & Co., of Toronto.

Owing to the rapid growth of the city the directors have thought it advisable to open an agency of the bank at the corner of Queen and Sherbourne streets.

JAMES AUSTIN,
President.

GENERAL STATEMENT.

Liabilities.

Capital Stock paid up..............		$1,500,000 00
Reserve Fund......$	980,000 00	
Balance of profits carried forward ..	2,129 14	
Dividends unclaimed	814 00	
Dividend No 28, payable May 1st....	75,000 00	
Reserved for interest and exchange....	61,222 13	
Rebate on Bills discounted	22,283 33	
		1,141,458 60
		$2,641,458 60
Notes in circulation$	981,500 00	
Deposits not bearing interest	855,760 45	
Deposits bearing interest	4,827,914 61	
Balances due to other Banks in Great Britain..........	143,709 49	