

A FRENCH-CANADIAN BANKER'S VIEWS.

In referring, as was done in these columns last week, to the report of La Banque du Peuple, a promise was made to discuss more at length the address made by its new cashier at the meeting and the often sensible suggestions made therein. M. Bousquet reviewed the career of the bank, contrasting the banking conditions in Canada in former years with those prevailing within the last decade. The founding of new banks and the resulting competition diverted deposits to newer institutions, lowered the rate of discount as well as the degree of circulation, and lessened profits. Hence it became desirable to found branches and thus augment deposits and business. This being done, the result was that, in three years, advances to the public were doubled, deposits trebled, and circulation quadrupled in La Banque du Peuple. Net profits were \$134,000 in 1887, as compared with \$74,000 in 1885, and in two years a hundred thousand dollars was added to reserve. This chiefly, we are told, from French-Canadian business, of the aggregate of which, according to the cashier, this bank has a great share. There are drawbacks, however, and the speaker was candid enough to mention some of these, and to indicate why, in some respects, progress had not been satisfactory.

Long credits and lack of capital among merchants are "two elements which retard the advancement of the bank," as they must of any community. M. Bousquet strains a point, perhaps, when he says that "among our French population there is more energy than capital." Something depends upon what he means by energy: it is scarcely the Anglo-Saxon sort of energy that characterizes his *confreres*. But we quote further from the address. He states, truly enough, that "the field of operations in almost every line of business is overcrowded, and the utmost caution is necessary." Yet, at the same time, he "fails to see on the horizon any cloud of sufficient magnitude to retard the progress of legitimate business; and shareholders may look with confidence to the future, for our advances are made (he is evidently now speaking of his own bank) to deliberate men who know the value of money," &c., &c. We fear that M. Bousquet is *tant soit peu flatteur* of his customers, and that they are just as anxious for bank advances, and just as lavish, not to say foolish, in overtrading if they can secure them, as those of any other bank.

"Under the credit system now prevailing and the small profits realized, the power of capital is telling more and more every day." And this capital must mean that of banks, for he has just declared that merchants lack it. He admits that wholesale accounts are difficult to get, and indeed, "merchants who have succeeded in conducting their finances through these years of competition, where the profits are cut so fine, are very limited in number." But he takes comfort in the fact that "in the retail trade, where less capital is wanted and more opportunity is left to our population for their energy, we are leading the trade." Even here, however, supposing retail trade to be the

most satisfactory for a bank, he feels compelled to advise that "merchants must not, however, be over-confident, and should keep their eyes open and extend the cash sales system to the utmost. The sales in dry goods and groceries by retail merchants have been in excess of their resources, and this is a consequence of the facilities given to our population to live beyond their means." We quite agree that excessive credit leads men and women to live beyond their means. If they were confined in their purchases to what they could pay for, *argent comptant*, they would live on vastly less, for no one will deny the frugality of the French-Canadian. "Wholesale traders ought to be careful and prevent new firms from entering into this field of operation, especially men not having the proper qualifications and sufficient capital." But this is precisely what wholesale traders don't do. On the contrary, they give retailers too much credit (we speak now of English houses, and we are not aware that French ones are different), and rather encourage than dissuade new traders.

It is pleasant to hear from the cashier of a bank, speaking presumably for the French-Canadian trade of Quebec as a whole, that "the basis of our credit is sound as far as it concerns the country trade, which rests in a great measure upon the farmers of this province, who are wealthy, but who are dependent on their crops; and"—here is the other side of the shield—"country retailers are slow in their remittances, depending as they do upon the wholesale trade of the cities to grant them long credits and to carry them over."

Once again the safe advice is given, in view of prevailing conditions, that "merchants should, under the circumstances, be very careful in their purchases and not venture into any new enterprises." Rather puzzling this, though, in a new country, especially when he has just been recommending that "new developments should be given to the province to increase its rural population." Still, it is undeniable that, as M. Bousquet says, "the managers of banking institutions have much to say about the general soundness, each having its proportion of the business community to provide for; and their administration is liable to bring good or evil to the community."

MONTREAL'S FINANCES.

From the Comptroller's report, City of Montreal, we make the following *resume* of the assets and liabilities at the close of last year of that city. The funded debt, the aggregate of which is \$13,116,847, consists of the following items, in round numbers:—Of old six per cent. coupon bonds there is outstanding \$756,000; of new five per cents., 1873, 1874, and 1879, say £1,440,000 or \$7,011,000; redemption stock, about \$700,000 each at seven and six, say \$240,000 at five, and \$1,775,000 at four per cent. Also an amount equal to the last of new four per cent. redemption bonds. Then there is a floating debt of \$588,889, consisting mainly of temporary bonds; outstanding at close of year, \$398,666; and a special sinking fund for school commissioners, \$325,709.

Of the city's assets, there is set down as representing the funded debt, water works property costing, to date, \$6,406,000; market and abattoir properties, \$1,050,000; Mount Royal Park, \$1,016,000; City Hall, \$523,000; road department assets, \$644,000; fire and police stations, \$309,000; the new civic hospital, \$37,000. The Comptroller has put down among "improvements," which, though not tangible assets, yet represent so much of the funded debt, street paving, \$1,009,000; main sewers, \$944,000; street opening and widening, \$200,000; aid to railways, \$844,000; and emergent expenditure, consisting of \$165,000 for dykes, &c., along the revetment wall to prevent spring floods, and \$180,000 for prevention or cure of epidemics.

According to a memorandum on page 36 of the pamphlet, the Montreal consolidated fund amounts to \$5,000,000, under an Act passed in 1868. The bonusings of the city for general purposes have since then amounted to \$10,000,000 more, for which power was taken under an Act of 1874 and the Abattoir Act of May, 1885.

The funded debt of the city has been augmented during the year, Mr. Robb tells us, to the extent of \$434,447, raising it from \$12,682,400, as in 1886, to \$13,116,847 in 1887—although practically the \$398,667 of outstanding temporary bonds belongs to the same account and may at any time be replaced by consolidated stock. "The above expenditure of \$850,486 on permanent works, and the unexpended cash on hand at the close of the year, represents the aggregate of both."

TRADE IN BOOKS AND STATIONERY.

We are not violating any confidence when we state that the answers of two houses to an enquiry about the condition of trade were as follows:—How do you find the book trade? was the first question. "The book trade, so far as the publishers are concerned, is pretty sick." And how do you, sir, find the stationery trade? was asked another. "Decidedly overdone, and it is hard scraping to find a profit." The fact appears to be that, in common with a number of other lines of business, the book and stationery trades in Canada are affected by changed conditions as compared with former years, and perhaps still more by excessive competition arising from the too great number of people dividing the trade.

As to the trade in books, from a wholesale standpoint, it is probably true that only copyrighted works pay the publishers. Our market is so limited, and so great a variety of cheap American and English editions are thrown upon it, that there is no money in reproducing pirated editions—supposing any of our Canadian houses to be pirates, which we do not here allege. Here we are, handy to Harper's, Munro's, Lovell's, and goodness knows how many more American publishers of cheap novels, biographies and what not. And we are glutted with cheap publications from British houses, whether of fiction or of more worthy literature. He is a bold man who ventures to reprint in Canada works which shall come into competition with these. We are told that 3,000 is a good average edition of a work and that 5,000 is quite exceptional.

Reduced values make a very great difference to the book and stationery dealer of to-