

honest labor to establish a good reputation, the reverse can be rapidly and easily obtained. Our manufacturers should never lose sight of this view of the subject. Their business, from the amount of capital invested in buildings, machinery, and plant, is intended to be a durable and lasting business. While looking to government legislation to help them and protect them in their efforts to establish their industries, they should never forget that, to deserve help and protection, they should produce goods as excellent in quality and as serviceable to the public as any that could be imported. If they do not do this, how can they ever expect to extend their business to other countries? If the quality and price be as satisfactory, what difference should it make to the West Indian, or the native of Brazil, whether the goods he buys be manufactured on the north or south side of the line dividing Canada from the United States?

The manufacturers of Canada must be able to satisfy the reasonable demands of the Canadian public ere they can hope to establish a foreign reputation. It is a short-sighted policy, and one which won't pay in the long run, to send off to some distant place goods which cannot be sold at home because of their inferior quality. Upon what does the quality of the goods produced in any factory depend? This is a question which every manufacturing firm, whether a private enterprise or a joint-stock concern, should carefully consider and find the correct answer to. To aid them in doing so we offer a few suggestions.

In the first place, the factory should be managed by one head, who has a thorough knowledge of the goods to be produced and a definite standard of excellence constantly before him. In the second place, the machinery employed should be adapted for the work. It will pay to "get the best," though often there is a difficulty in deciding which is the best. In some English factories no machine is kept in use or allowed floor space which has got to be behind the age, or so far out of repair as to necessitate a mechanic being kept after regular hours to adjust it. No machine allowed to run down, its fittings half gone, its bearings worn out, and its journals running loose and out of truth, can produce good work. Another requisite is to have the right kind of work-people well treated, contented in their situations, interested in their work and in the general success of the business. Still another is constant supervision as to quality of the raw material brought into the factory, and over every stage and process in its manufacture, combined with a continual aiming at improvements, and keeping ahead; not merely supplying the demands of the purchasing public but creating demand by placing on the markets new designs and improved qualities.

BANK MEETINGS AND BANK SPEECHES.

Within a month back some ten or a dozen Canadian banks have held their annual meetings. The statements made are on the whole highly satisfactory; and cannot be regarded as otherwise except on the supposition that we are doing too much business, a view of the situation which we think will not be sustained. In two cases there is a restoration of the item of "rest" to the highest point ever reached before, namely—

five and a half millions for the Bank of Montreal, and one million for the Bank of Toronto. The Dominion Bank finds such good employment for its capital of one million that it has been decided to add half a million more. A large addition to rest is made by the Federal Bank. Compared with the way things stood a year ago, the improved condition of the Ontario Bank is matter of congratulation to all concerned. From what is already known, it may be believed that the meetings of the Imperial Bank and the Bank of Commerce, soon to take place, cannot fail to be pleasant occasions for the shareholders of each respectively.

The two great bank meeting speeches of the season have undoubtedly been those of Mr. Smithers and Mr. Hague respectively. That of the former is still the subject of much discussion, public and private; and the Bank of Montreal warning of June, 1882, is likely to be long remembered in Canada. Our Montreal correspondent, whose opportunities for knowing the facts are good, says in his letter this week that Mr. Smithers' views as to danger from over-expansion are fully sustained by the weight of financial opinion generally in that city. We can well believe that the fact is just as stated; and if so it will go far to confirm the view which we have already presented, viz: that the very force of truth contained in his prediction may be the means of preventing the prediction itself from being fulfilled. If in general those amongst us who are in control of matters financial promptly put Mr. Smithers' warning in practice, the danger may be averted: and then, as we have before remarked, some people may say that there never was any danger at all. What our Montreal correspondent tells us makes it appear very likely that this is just what is going to happen; for, if Canadian financial authorities generally share his views, they will be very apt to enforce the caution he has given. In fact, its enforcement by the Bank of Montreal would almost compel other banks generally to follow suit. Ten or twelve years ago it would certainly have compelled them, *volens volens*, and, though the importance of the leading bank is not relatively as great now as it was then, it is still great enough for holding the lead in Canada.

Mr. Hague's views on the subject of bank expansion are given in the following extracts from his speech:

"Before closing these remarks, the General Manager may be permitted to refer to the remarkable expansion which has taken place in the discounts and loans of the banks generally during the past year, and to the position of business generally. He has ascertained by an examination of the books of the Merchants' Bank, in what direction our own expansion has occurred, and has compared the range of expansion with the progress of trade and commerce. For it is tolerably clear that if the Bank discounts have grown with the volume of legitimate trade and if the reserves of the banks have been well kept up, the expansion is a natural and healthy one. If otherwise it is the reverse. The money of the Merchants' Bank is employed in loans and discounts to persons engaged in the following lines of business:—1. In the movement of agricultural produce of all kinds, and manufactures connected therewith: 2. In the timber and sawed lumber business: 3. In importing and wholesale merchandise: 4. In manufactures of all kinds: 5. In miscellaneous operations connected with agriculture or commerce. In addition to this the Bank lends to Municipal Corporations, and employs large sums in short loans on stocks of various descriptions. It is only the first five of these that can be called business loans and discounts. Now, looking at