

a sound basis. And Mr. Clouston finds further comfort in the practical completion of arrangements to build the Crow's Nest Pass railway, since it will be "of itself almost sufficient to start the hands of the commercial barometer towards fair weather." The general financial and commercial position, he concludes, is not by any means hopeless. What is needed is "a settlement of the tariff with a due regard to established interests, a good crop with fair prices, lenient treatment and judicious assistance meantime to those in business," and these "may yet make this year the beginning of a prosperous cycle." Much is implied in the phrase "lenient treatment and judicious assistance." It means for one thing, we have no doubt, that if the Government squeezes the manufacturing industries, these will have, in their distress, to lean upon the banks, and upon the banks' leniency depends their existence. The position is not hopeless, Mr. Clouston repeats, but requires careful treatment, and all the encouragement that can be given.

His readers, not less than his hearers, will, it may be safely said, not only excuse Mr. Drummond for departing, in the concluding paragraph of his address, from a strictly business view of current events, but they will be grateful for his happy reference to the coming sixtieth celebration of the Queen's accession to the throne. Whilst it may be true that sentiment has no place in the administration of a bank, it is also true that "sentiment, nevertheless, on occasion given, brushes aside all personal interests, and rules with overpowering force the individual and the nation alike. It sets fleets and armies in motion, and sways the destinies of whole races of men and the mightiest empires." Glory as we well may in the martial achievements of the British nation and in the growth in area, population and commerce which has characterized the British Empire in Victoria's reign, it should be borne in mind that "Peace hath her victories, no less renowned than war." The publicist, not less than the philanthropist, may recall with advantage that "during her beneficent reign, the advances in all that makes for the well-being of every class of her subjects have been beyond all precedent in the past. Cruel and unjust laws have been repealed, freedom of speech has disarmed and banished sedition, and the products of every clime have been laid under tribute to minister to the comforts and material enjoyments of the masses." And so, associating the events of her time with the noble character of the monarch, her subjects everywhere may justly take increased pride in British rule and British institutions and cry with fervor, "God Save the Queen!"

MERCHANTS BANK OF CANADA.

The statement of this bank shows a business somewhat in excess of last year's in volume, and net earnings equal to 9.04 per cent. on the capital. The report dwells upon the continued depression in business in both Canada and the States, the competition in banking, and the difficulty of earning profits. Reference is made to the death of Sir Joseph Hickson and the election of Mr. Thos. Long to replace him at the board; also to the appointment of Mr. Fyshe as joint general manager of the bank.

In the first paragraph of his address the general manager admitted that he was not satisfied with the bank's earning of 9.04 per cent. net, which it must be confessed looks small beside the earnings of banks with smaller capital and a large proportion of deposits. Bank profits to-day are smaller all round than in former years, and why? Mr. Hague says largely because of competition, not only the sort of competition which gives away to customers for

nothing the services which might reasonably be charged for, but the sort which seduces customers away by granting large advances without security. This sort of thing, however, he is determined the Merchants Bank shall not do.

In his paragraph on lumber and timber the speaker again deprecated the exporting by Canada to the States of such raw material as pine logs, to be sawn over there into lumber, and spruce logs to be converted into paper pulp. And he now bases his advocacy of an export duty on logs upon the necessity for conserving our forests. The Americans have put a duty of \$2 per thousand on our lumber, which in the opinion of not a few bankers and merchants, is an argument for an export duty on logs.

Mr. Hague has a good paragraph on the elements that produce success in business in the altered circumstances of to-day. Importers, he urges, must attend closely to business, word hard, keep down expenses, buy in the best markets, keep their stock low, and watch credits day by day, in order to succeed. Trite sayings, perhaps, but true. And another thing, it is stated in this address that a necessity is apparent for traders, of whatever kind, to have considerable capital at the risk of their business, with arrangement made, by life assurance or otherwise, for its continuance in the business, in case of dissolution or death. We were disposed at first to regard this statement as a hint that the banks were agreed not to make advances to new firms with insufficient capital, but perhaps this is too much to expect. The speaker hit the nail on the head when he argued that it is hopeless nowadays for manufacturers to work at a profit unless they have the cheapest power, the latest appliances in machinery, the best adaptations of labor, the most skillful management, and the best facilities for transportation. This agrees with what has been more than once urged in this journal, that Canadians should find out what articles they can make to the best advantage, and then they should make them as good as they can be made anywhere.

EASTERN TOWNSHIPS BANK.

There are various modes of expressing the interest felt by the public in the jubilee of Her Majesty this month. The feeling of loyalty to the Queen and admiration of the woman is in the air. Every one feels it more or less, though every one does not express it. In churches and public gatherings in Toronto, however, the National Anthem is sung, and we remark that, at the annual meeting of the Ontario Mutual Insurance Company the other day, "God Save the Queen" was enthusiastically rendered. The desire to mark the sixtieth year of the Queen's reign has penetrated even to the board rooms of financial institutions, and in one instance, at any rate, it has found expression in an unique manner. The report of the Eastern Townships Bank, well worded as it usually is, has a special paragraph referring to the conclusion of the sixtieth year of the Queen's reign. The directors of this bank, we are there informed, "have thought it proper and desirable to mark this event by the payment of a bonus of one per cent. on the stock to the shareholders, * * * designating it as the Bank's Royal Victoria Diamond Jubilee Bonus." We are not told that any objection to the proposal was made by the shareholders, and therefore conclude that this method of uniting loyal sentiment with corporate liberality was grateful to the minds and pockets of the proprietors.

The earnings of that prosperous institution for 1896-7 were remarkable, being more than \$14,000 in excess of the average of the past five years, and just about sufficient to pay the one per cent. bonus that we have above referred to. Be-