

MANUFACTURES.

It is almost impossible to avoid touching upon political considerations here, but, politics apart, I may say generally that the splendid water powers of Canada are the natural foundation of its manufacturing industries, as they have been of those of every country in the world. It is not to be expected that we could let such powers as those of the Ottawa, the St. Maurice, the Trent, the Grand River, the Magog, the Chaudiere, the St. John, and their tributaries, with others like them, go on forever without making some attempt to establish other manufacturing industries besides sawmills. What was done in the early days of Lancashire and Yorkshire in old England, and Massachusetts, in New England, that is, utilizing water power, is exactly what we have been doing in Canada for twenty years back. If we have made mistakes, so have Englishmen and Americans, and we can correct them: they have done. The system of bonusing by municipalities has undoubtedly been abused, and manufactures drawn to localities where there are no natural advantages for them. But the manufactures of Canada are being more diversified. No one can fail to notice a great development in this respect, especially in connection with electricity in all its branches. Many of our miscellaneous manufactures are highly profitable. When manufactures are carried on by men who thoroughly understand their trade, and who can introduce economies in working, they are steadily profitable. But it is vain to think that men can make money merely by starting factories under a protective system in default of capacity, especially knowledge and economy. As manufactures are developed they tend more and more to the production of specialties, and it is only by the production of specialties that any profit can be realized. This fundamental rule applies to everything that is produced by machinery, including our cotton and woollen mills, our flouring and sawmills, our tanneries, shoe factories, implement manufactures, and all the miscellaneous lines which are domiciled amongst us.

RETAIL STOREKEEPERS.

Much of what has been said implies to retail storekeepers. The day has gone by forever when almost anybody could make money or make a living by opening a store and selling goods. It can't be done. Men only waste their time and energies in carrying on the business of storekeeping without previous training. But even with this thorough knowledge of the goods he sells, the retailer often splits on the rocks of giving too much credit. After doing an apparently successful business for years, he finds himself brought to a stand because his books are full of uncollectable debts. The most successful retail merchants are those whose rule is to do business for cash, and who make credit an exception. Finally, I come to the interest which is often spoken of as the foundation of every other in the country, namely:—

FARMING.

The condition of the farmer is more than any other the battle ground of the politician. Partial views are exceedingly prevalent. But looking over the field generally, I must remind you that there are many varieties of farms and farming localities. There are localities in this Province which have been rather over-populated than otherwise, the farms having been subdivided until they cannot yield a living. It were better if this process of subdivision were reversed. Certain localities are well adapted to one kind of production and not for another. There are hundreds of farms in the Dominion on which neither wheat nor any other grain can be grown to a profit, but where cattle and dairying pay well. A farmer in these times is exposed to the law of competition as much as the manufacturer. He cannot prosper unless he considers what his farm is adapted for. The majority of our farmers understand this and act accordingly. But there are some who do not; and a few unsuccessful farmers—successful by their own fault—will fill a whole county with their lamentations. Farmers can no more expect a constant succession of prosperous years than merchants can. And some make mistakes. Too expensive houses, too much luxury in the shape of pianos, organs and such like, are the mistakes of some, and a dogged persistence in old ways and an unprofitable style of handling the farm, of others. And, to say the truth, there is a certain number among our farmers who are too fond of drink, too fond of politics, and who spend precious time loafing about neighbouring towns and taverns. Such men as these will never thrive under any political system in the world. Happily they are only a small minority. I have paid careful attention to the working of farmers' business at our country branches, and the managers of the Bank have been instructed to give special attention to it also. The past year has not been supposed to be a year of much saving with farmers, but it is a fact that out of twenty-nine branches where farmers' deposits are received, in twenty-seven of them there has been an increase in such deposits. In only two has there been a decrease, and that only of a small amount. I have no doubt that this experience has been common.

The whole deposits of the country in the Banks, and in Government and other Savings Banks a year ago were \$213,000,000. They now amount to \$231,000,000. I have little doubt that a large proportion of this increase belongs to farmers.

I have said nothing so far with regard to the varied lines of enterprise carried on in this city, but a large part of what has been said of the business of the country generally applies also to Montreal. For if the country prospers, Montreal prospers, and vice-versa. Over-trading and excessive competition, speculation, long credits, all work out the same results here that they do elsewhere, and so do the opposite styles of conducting business. These, I believe, generally prevail.

The large shipping trade of Montreal, both internal and on the ocean, was conducted with an average degree of profit for the most part, and our harbour improvements will give still greater facilities to this.

The immensely increased railway traffic of the Dominion in recent years is particularly remarkable, and demonstrates a very large degree of enterprise and activity in the business of the Dominion.

It will be noticed that I have not referred either to the business of the Maritime Provinces or of British Columbia. We have no branches in either, and only desire to speak at length in this address of subjects that come under personal observation; but as our mercantile customers in the leading cities deal with both extremities of the Dominion, I may say that it is gratifying to see the rapid progress of our Pacific province in all the leading lines of its business, while there is no reason to doubt that the people of the Maritime Provinces have had an average year's business in their leading lines of production and distribution. And from a commercial and banking point of view it is gratifying that our disputes with our sister colony, Newfoundland, have been settled. It is a pity that such disputes ever arose.

REMARKS OF MANAGERS.

I append, finally, a few remarks of our managers on the business of their own localities, as such information is both interesting and valuable. One says: "Dry goods dealers have not made as much as they should considering their large stocks. Rents, expensive help and interest eat up their profits. As to farmers, opinions differ. My own impression is, they make almost as much as formerly, but spend more freely. The age with them, as with others, is an extravagant one."

Another says: "Some manufacturers in this neighbourhood made little headway, and some fell behind. Others, however, did better than the average, and in one branch of manufacturing large profits were made. Nine out of ten of the farmers in this locality are well to do. When one runs behind, it is invariably owing to his being indolent, incompetent, or dissipated."

Another: "Manufacturers in this neighbourhood, by hard work and economical management, have generally added to their means."

Another, in an important centre, says: "Last year's good crop, followed by a better winter than usual, has left the farmers in a far better position than they were a year ago."

Another says of the flour mills in his district that the loss of the Newfoundland market was appreciably felt, and that the year has not been a good one. Woollen mills that were well equipped and worked with adequate capital undoubtedly made money. Of the farmers, "the wasteful, shiftless one, with fences down, and thistles growing round his machines lying in the fence corners, have as much to find fault with here as in any other country. With the hardworking, careful farmer the position is entirely different."

The manager of our Hamilton branch writes that "the crop of grapes is becoming second in importance, and is a more certain one than grain. The business can probably be developed to an extent hardly possible to be conceived of at present. The farmers of the neighbourhood are doing well. The variety of articles is so great that they are sure to do well in some of them. Distress amongst farmers is looked upon as due to bad methods."

In a cheese district a manager reports that "the business was satisfactory to all parties. The amount of money distributed among farmers in the neighbourhood was over a million. Farmers here have learned that dairying pays better than anything else. Next in importance is raising hogs." Another reports that the lazy, indifferent farmers are being weeded out, while the provident and thrifty ones are getting more independent. Last year farmers' deposits at this branch increased 50 per cent.

Another reports that both manufacturing and storekeeping had an unprofitable year. This is a poor district for farmers, the majority of them are poor, but they had better crops than usual last year, and undoubtedly reduced their indebtedness considerably. Another, writing from a wholesale centre in a good farming district, says that wholesale houses and manufacturers have done well, and that the loan companies state that payments on mortgages have been far more prompt than in years back. Yet a steady decline in value of farms had been going on for some years, owing to the opening up of new fields of enterprise in the North-West. This has brought about a more economical style of living, not a bad result. Another manager, referring to business generally, observes of electric companies that great strides have been made during the year, and handsome profits realized. "But dry goods and general stores have been unprofitable, with one or two exceptions. The most successful retail firm in this place do an immense trade on a cash basis." Another, speaking of certain lines of business in which many failures

had taken place, largely the fault of injudicious bank advances, observes that the majority "had been weeded out, greatly to the advantage of solvent houses. A great deal of money has been lost during the year, but these disasters have not been an unmixed evil; for with the disappearance of weak concerns and the withdrawal of unhealthy competition, prospects are much improved."

Another reports that there has been no depreciation of farm property in his section: on the contrary farms are increasing in value.

Still another complains bitterly of the tax on the mining industry imposed by the Government of this province as having brought the business almost to a standstill. Several managers in Ontario refer to the considerable amount of last year's crops still left in farmers' hands. Our Toronto manager refers to the collapse of two prominent capitalists from land speculation, and to the heavy depression in the city lumber trade being likely to lead to losses by the banks. The wholesale trade of the city has had only a fair year. The foregoing reports are all from Ontario and Quebec.

The condition of business generally, and farming in particular, in the North-West, is so well known that it hardly needs to be referred to. There can be no doubt that a more healthy condition of trade prevails in its principal centre, Winnipeg, and we hear from our manager that all leading lines have been profitable. But there are far too many retail stores in the city, the result being that, with few exceptions, they are hardly making a living. A conspicuous failure of a brewing and milling company in the interior of Manitoba was clearly the result of incompetence and extravagant management.

The crop, as is well known, was in excess in quantity, but bad weather and delay in thrashing deteriorated its value largely; and the holding over for better prices proved a terribly mistaken policy, as it has so often done in Ontario. But in spite of all this, the North-West has made considerable progress during the year, and the prospects for the future are excellent. But it is very true, as Lord Mount-Stephen has lately observed, that the great want of that part of the Dominion is men.

On the conclusion of Mr. Hague's masterly *resumé*, the president asked if any of the shareholders had any remarks to make, as this was the time to bring them forward.

Mr. Morrison made some remarks about the increase in the Bank Premises account and other matters connected with the bank.

Mr. John Crawford congratulated the president upon his vigorous appearance after his severe illness of last year. There were four items in the report to which he desired to allude. They were the appointment of an interim director, the steady decadence of the earnings, the proposed increase in the capital and the Field forgeries. He desired to congratulate the board upon their appointment of Sir Joseph Hickson to replace the late Mr. John Duncan on the directorate.

To the comments of Mr. Crawford, the general manager made a circumstantial reply. As to the Field forgeries the loan itself was a genuine loan. It was the securities that were forged.

The report was adopted, the usual votes of thanks given to the president, directors and general managers, and the meeting proceeded to the election of directors, the old board being re-elected as under: Messrs. Andrew Allan, Robert Anderson, H. Montagu Allan, John Cassels, James P. Dawes, Sir Joseph Hickson, T. H. Dunn, Jonathan Hodgson, Hector Mackenzie.

At a meeting of the Board held subsequently, Mr. Allan was re-elected president, and Mr. Anderson, vice-president, of the bank.

IMPERIAL BANK OF CANADA.

Proceedings of the Seventeenth Annual General Meeting of the Shareholders, held at the Banking House of the Institution, in Toronto, on Wednesday, 15th June, 1892.

The Seventeenth Annual General Meeting of the Imperial Bank of Canada was held, in pursuance of the terms of the charter, at the banking house of the institution, 15th June, 1892. There were present:

Messrs. H. S. Howland, T. R. Merritt (St. Catharines), T. R. Wadsworth (Weston), Robert Jaffray, Hugh Ryan, Rev. E. B. Lawler, George Robinson, R. S. Cassels, Wm. Ramsay (Bowand, Scotland), T. Sutherland (Stayner), Joseph Whitehead (Quebec), W. B. Hamilton, John Stewart, David Kidd (Hamilton), Robert Beaty, R. L. Benson (Peterboro'), H. S. Northrup, J. H. Patterson, R. Thompson, John Bain, J. C. J. J. Gould (Uxbridge), R. H. Ramsay, S. Nordheimer, Dr. Thorburn, J. K. Fiske, D. R. Wilkie, etc., etc.

The chair was taken by the president, Mr. H. S. Howland, and Mr. D. R. Wilkie was requested to act as secretary.

The secretary, at the request of the chairman, read the report of the directors and the statement of affairs.

THE REPORT.

The directors have much pleasure in meeting the shareholders, and beg to submit the seventeenth annual balance sheet and statement of profit and loss account of the bank for the year ended 31st May, 1892.

Out of the profits for the year and balance of profit and loss account carried forward from last year:—

(a) Dividends have been paid at the rate of 8 per cent. per annum, and in addition thereto a bonus of 1 per cent., amounting in all to \$171,622.80.

(b) Rest account has been increased by \$50,000.

(c) Bank premises account has been credited with \$6,276.63.

(d) The fund to cover rebate on bills discounted current has been supplemented by an appropriation of \$3,613.74.

The allotment to shareholders of \$500,000 new stock has been taken up to the extent of \$163,600. The disposition to be made of the unsubscribed shares, within the provisions of the Bank Act, is a matter for future consideration on the part of your directors.

The deposits and note circulation of the bank have increased during the year in the sum of \$1,326,723.

Keeping pace, in a measure, with railway development in the Northwest Territories, a branch of the bank has been opened during the year at Edmonton, Alberta.

The new premises at Brandon, Manitoba, the property of the bank, have been in occupation since the 13th of March, and meet in every respect the requirements of the bank.

The necessity of providing suitable accommodation at Calgary for the business of the bank has induced your directors to purchase premises, at a reasonable cost, on the corner of Stephen avenue and McTavish street, which, it is expected, will be at an early date ready for occupation.

The scarcity of idle capital in the Northwest seeking investment necessitates the ownership by the bank of banking premises at several points; care has, however, been taken from time to time to reduce below cost, by appropriations from profit and loss account, the value at which these and other banking premises are held as assets.

You will be asked to approve of and to aid in the establishment of an officers' and employees' mutual guarantee fund; which fund, your directors believe, will not only be an economical and otherwise excellent substitute for the system of officers' guarantees now in force, but will tend to community of interests on the part of the officials themselves.

The policy of maintaining ample cash reserves and of investing a considerable portion of the funds of the bank in first-class readily-convertible securities, although curtailing immediate profits, enables the bank to avail itself from time to time of any good business that

offers, and ensures the full and continued confidence of the public and of the shareholders.

All of which is respectfully submitted.

H. S. HOWLAND, *President*.

STATEMENT OF PROFITS FOR YEAR ENDED 31ST MAY, 1892.

Balance at credit of account 31st May, 1891, brought forward	\$50,750 44
Profits for the year ended 31st May, 1892, after deducting charges of management and interest due depositors, and making full provision for all bad and doubtful debts	221,817 07
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	\$272,567 51

From which has been taken—	
Dividend No. 33, 4 per cent. (paid 1st December, 1891)	\$75,326 29
Dividend No. 34, 4 per cent. (payable 1st June, 1892)	77,037 21
Bonus 1 per cent. (payable 1st June, 1892)	19,259 30
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	171,622 80

Written off bank premises and furniture account	\$6,276 63
Reserved for rebate on bills discounted (making total \$30,742 29)	3,613 74
Carried to rest account	50,000 00
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	59,916 37

Balance of account carried forward	\$41,028 34
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REST ACCOUNT.

Balance at credit of account 31st May, 1891	\$750,000 00
Transferred from profit and loss account	50,000 00
Premium received on new capital stock	220,292 00
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Balance of account carried forward	\$1,020,292 00

GENERAL STATEMENT, 31ST MAY, 1892.

LIABILITIES.

Notes of the bank in circulation	\$1,288,410 00
Deposits not bearing interest	\$1,584,452 83
Deposits bearing interest (including \$38,806 98, being amount of interest accrued on deposit receipts to date)	6,468,573 05
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Due to other banks in Canada	\$8,053,025 88
	2,243 71
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Total liabilities to the public	\$9,343,679 50
Capital stock (paid up)	1,940,607 00
Rest account	\$1,020,292 00
Contingent account	33,050 19
Dividend No. 34, payable 1st June, 1892, 4 per cent. and bonus 1 per cent.	96,296 51
Former dividends unpaid	92 25
Rebate on bills discounted	30,742 29
Balance of profit and loss account carried forward	41,028 34
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	1,221,501 58
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	\$12,505,788 17

ASSETS.

Gold and silver coin	\$316,052 98
Dominion Government notes	754,249 00
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Deposit with Dominion Government for security of note circulation	32,002 40
Notes of and cheques on other banks	251,141 96
Balance due from other banks in Canada	443,584 97
Balance due from agents in foreign countries	273,072 61
Balance due from agents in the United Kingdom	229,514 66
Dominion of Canada debentures	\$174,868 24
Province of Ontario securities	685,935 00
Municipal and other debentures	321,739 41
Canadian, British and other railway securities	137,680 46
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Loans on call, secured by stocks and debentures	\$1,320,223 11
	963,902 11
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Total assets immediately available	\$4,583,753 88
Other current loans, discounts and advances	7,498,555 16
Overdue debts (loss provided for)	29,308 19
Real estate, the property of the bank (other than bank premises)	63,478 47
Mortgages on real estate sold by the bank	98,522 07
Bank premises, including safes, vaults and office furniture, at head office and branches	220,006 00
Other assets, not included under foregoing heads	12,170 40
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	\$12,505,788 17

D. R. WILKIE, *Cashier*.

The usual votes of thanks were passed to the president and directors, also to the cashier and other officers for their attention and zeal in promoting the interests of the bank.

The ballot was then taken for the election of directors, which resulted in the election of the following shareholders, viz.: Messrs. H. S. Howland, T. R. Merritt, Wm. Ramsay, T. R. Wadsworth, Robert Jaffray, Hugh Ryan, T. Sutherland Stayner.

At a subsequent meeting of the directors Mr. Henry S. Howland was elected president, and Mr. Thomas R. Merritt, vice-president, for the ensuing year.

LET every student have all the rest, recreation, diversion, amusement, required for keeping his forces in the finest condition; but he does not need one-quarter of a year. A healthy student, and such as I constantly have in mind, can get as much vigour out of two months as out of three. Eight weeks in the woods will give all necessary power as well as thirteen. Eight weeks in the dissipating and charming enjoyments of society are better than thirteen for his college arms. A short vacation is better for a tired and healthy man than more, than a long one spent in laborious diversions. We are trying to find a way in which college men can begin their professional career before the age of twenty-seven. "Shortening the college course" is a bad method for securing this aim. The college course is none too long, but the vacation is too long. Each student spends more than one year of his four in vacation. He cannot afford to spend so long a time. The college period is the only period of his life when he finds so long a period of rest necessary.—From "A Too Long Vacation," by Prof. Charles F. Thwing, in *North American Review*.