

ther increase in the manufacture of cheese; a greater number of hogs will be raised than heretofore; experiments looking to the production of barley suited to the English market, already successful in some parts of Canada, will be still further pursued, so that, whatever may be the results of unfavorable seasons or a hostile tariff, our farmers will doubtless prove equal to the occasion.

AGRICULTURAL IMPLEMENTS.

I have little to add to my remarks of a year ago regarding the manufacture of agricultural implements. We have had another season in which the production exceeded previous years, the sales, however, keeping pace with the production. The wisdom of steadily increasing the output as long as sales are maintained depends, of course, on the continuance of satisfactory payments by the farmers. In the North-West payments have been unsatisfactory. In Ontario they have been well maintained, perhaps not quite as high a percentage as in the best of recent years, but high enough to afford gratifying evidence as to the paying power of our farmers under quite unfavorable conditions. Clearly much depends on the present crop, but whether it be bountiful or not, it will be well if the production of implements is checked for the moment. The foreign trade is growing to large figures, and must eventually have an important bearing on the prosperity of this great branch of business in Ontario.

THE LUMBER TRADE.

The winter operations in connection with the timber and lumber trade have been carried on without undue cost, but under the disadvantage of unsteady weather and considerable illness among the men in the woods from the prevailing epidemic. As a whole, logs must have cost somewhat more than in ordinary years. There has been no difficulty in driving, and the mills will be plentifully supplied. In fact, notwithstanding the curtailment in production last winter, we must hope there will also be a reduction next winter, as it is clear that in many respects the market is not what it has been the past few years. The market in the United States is fairly satisfactory, but the fears expressed a year ago regarding the South American market have been realized, and what with strikes and a smaller volume of building operations at home, prices are barely sustained and sales are not so easily made as could be desired. In this connection it is a satisfaction to notice that the production of pine saw-logs in the Ottawa district for 1889-90 (including a smaller stock carried over than usual) is slightly below the average of nine years past. The cut in other localities is also considerably reduced as compared with that of two years ago, so that the trade in lumber is still in a healthy condition, if not so positively prosperous as heretofore. We are not interested to any extent in the square timber trade and have no special knowledge concerning it, but it seems clear that, tempted by the high prices of late years, manufacturers have overproduced, the output in the Ottawa district being 60 to 70 per cent. higher than the average of the last nine years.

GOVERNMENT SAVINGS BANKS.

Since our remarks a year ago regarding the rate paid for money deposited in the post-office and Government savings banks, we are glad to state that a slight movement in the right direction has been made, the rate having been reduced from 4 to 3½ per cent. last autumn. The general opinion had obtained that when any action was taken in the matter the rate would be reduced to 3 per cent., and we will hope that this may still be brought about in the near future.

THE NEW BANKING ACT.

During the year the new Banking Act, in connection with which our charters are renewed, was passed. Owing to the fact that bank charters are renewed for periods of ten years, while the charters of other corporations are as a rule indefinite, we appear to be condemned for at least one parliamentary session in each ten years to fight for our existence. In a country where the conditions subject to which banking profits are made are less favorable than in any other progressive country in the world, the desire of many individuals in the community seems to be to make the banking laws as complicated and difficult as possible, while mere jealousy of the few privileges enjoyed by banks, which privileges are made instruments for the welfare of the country,

causes them to desire to overthrow principles in our system the loss of which would be far more hurtful to the public than to the banks. There was at one time considerable fear that one of the main principles of the Act would be departed from and the business interests of the country submitted to the dangers incident to a change in the form of currency. The members of the Government, however, have instead wisely concluded to make as much more perfect as possible the laws under which we have worked the business of banking and supplied a currency to the Dominion for the past twenty years.

The United States National Banking System, although much less perfect as a banking system than our own, provides a currency at no time exactly in accordance with the needs of the country as ours is, and at present entirely inadequate, but having the quality of passing over the whole area of the country without discount for geographical reasons or on account of the standing of the bank issuing it. Section 55 of our new Act provides against discount on bank notes for geographical reasons by requiring every bank in the Dominion to arrange at the commercial centre in each province for the redemption of its notes; and Section 54 provides against the possibility of the notes of a suspended bank falling to a discount between the moment of suspension and the date of payment by the liquidator. This will be accomplished by the creation of an insurance fund, the liability of each bank to which, while greater than there is necessity for, is not really a serious matter at all, and if our experience is not worse than it has been for twenty years past, will never cost us any loss of money. In this manner the bank-note issues of Canada have been given the one good quality of the United States National Bank notes without incorporating into our Act any of the objectionable features of that system. This is a matter for much more congratulation than people realize who have not leisure in which to study the problems of banking.

Perhaps the change in the conditions under which banks may hereafter be created is as important as anything in the new Act. It is necessary on the one hand that banking in Canada shall not partake in any sense of the nature of monopoly, but it is equally as necessary that banks shall not be created by men who have motives for doing so other than the proper motive of embarking in a business enterprise because they believe it will pay. It is well known that banks have been created at a time when the business was suffering from severe competition, a force calculated to do more mischief in banking than in any other kind of business. Perhaps some politician had a charter to dispose of and an ambitious bank officer was anxious to try his hand at general management, and friends could be found willing to permit their names to be used as provisional directors, or to subscribe for stock on the understanding that they would sell the stock shortly after the bank was in operation.

In the present Act there is nothing to deter any body of men who wish to start a bank for *bona fide* purposes from doing so, but every effort is made to prevent the creation of a bank which is not supported by a fairly large actual cash capital, and a body of shareholders who believe that the bank in question is necessary to the wants of the community, and will therefore be a profitable enterprise.

The resolution was briefly seconded by Mr. George A. Cox, and carried.

It was then moved by Mr. Edward Martin, Q.C., seconded by Mr. A.V. Delaporte, and carried, "That the thanks of the meeting are due, and are hereby tendered to, the president, vice-president, and other directors for their careful attention to the interests of the bank during the past year."

Mr. Darling returned thanks, in a few words, for the directors and himself, remarking that the board had devoted much time and attention to the business of the bank during the year.

Moved by Mr. George Robinson, seconded by Mr. Hugh Ryan, "That the thanks of the meeting be tendered to the general manager, assistant general manager, and other officers of the bank for the satisfactory discharge of their respective duties during the past year." Carried.

Mr. Walker, in acknowledging the vote of thanks on behalf of himself and the officers, said: We have now a very large staff indeed—upwards of 300 men in fact—and I think I may say that in the matter of zeal and deter-

mination to do all that they can to advance the bank's interests, our staff is second to none in Canada.

Mr. Plummer also thanked the meeting, and assured them that the officers always appreciate these resolutions, and would miss them if they were omitted. Success in the business of banking is peculiarly dependent on the good-will, the zeal and energy of the staff. The business could not be built up, or maintained, or carried on safely if the men did their work in a perfunctory or mechanical manner, and in respect to these matters we have a staff which deserves all that the board and the shareholders have said.

Moved by Mr. John Scott, and seconded by Dr. U. Ogden, "That the meeting do now proceed to elect directors for the coming year, and that for this purpose the ballot box be now opened, and remain open until 3 o'clock this day, the poll to be closed, however, whenever five minutes shall have elapsed without a vote being tendered. The result of the election to be reported by the scrutineers to the general manager."

Before putting the resolution, Mr. Darling spoke as follows:—Before leaving the chair which I have had the honor of occupying for the past four years, perhaps I may be permitted to say a few words upon a subject personal to myself.

You are aware I was invited to occupy the position of president in 1886 by the founder of the bank, the late Hon. William McMaster, at an important juncture in its history, when I might very well have shrunk from assuming the responsible duties which were entirely new to me, all the more that my engagements were already onerous.

Having reduced these to the narrowest limits possible, and strong in the confidence reposed in me by the shareholders, the public, and my fellow-citizens, I addressed myself to the task assigned to me, with the single aim of bringing the institution to the highest state of efficiency as to its management, so that it might enjoy such a measure of public confidence as would enable it to minister to the commercial requirements of the country with profit to the shareholders.

In this I have been cordially supported by the gentlemen who from time to time have been associated with me as my co-directors, and the zeal and ability shown by the managers and the staff have been frequently and appreciatively alluded to.

The period covered by my incumbency of office has been marked by events which have given special prominence to the duties and responsibilities of directors of banks and other monetary institutions by the pronounced success of some and the lack of success in others. I think it may be truthfully said of this bank that through the attainments of the past four years it occupies to-day a position of stability and prosperity which ought to be highly satisfactory to the shareholders.

It will always be a matter of grateful recollection to me that so much has been accomplished during my term of office, and that in the performance of the responsible duties of president I have been able to contribute in some degree to the success that has been achieved.

I do not propose here to enter into the causes which now prevent my enjoyment of the fruit of much anxious thought and unselfish devotion to your interests; I am led to surrender to you the trust committed to me because my retirement seems at the moment the way in which I can best serve the shareholders, as I have sought to do throughout.

I shall watch with undiminished concern the further history of the bank, and I shall esteem it a privilege to promote its prosperity in every way in my power.

The Rev. Principal King made some complimentary remarks respecting the retiring president, and the motion being put was carried.

It was then moved that Mr. Darling should leave the chair, and that the vice-president should act as chairman.

This being carried, Mr. W. B. Hamilton addressed the meeting as follows:

I have a resolution to submit for your consideration, which will, I apprehend, meet with the cordial approval of the meeting. Many of the shareholders will have learned with regret that the president has intimated his intention of retiring from the directorate. The valuable services which he has rendered, and the untiring zeal and energy with which he has devoted