

President's Address, Canadian Bankers' Association.

The following is the address delivered by E. S. Clouston, general manager of the Bank of Montreal, as president of the Canadian Bankers' Association, before the annual meeting of that body:

It is not my purpose, in addressing some observations to you, on events of the past year, which concern us as bankers, to travel far afield or to embrace a wide range of topics, but rather to glance briefly at two or three subjects to which I desire more especially to direct your attention.

Four years ago, your then president, in reviewing the commercial situation in Canada, stated that the year had been one of much anxiety to bankers as well as to business men generally, and that the most conspicuous feature of the commercial and industrial world at that time was undoubtedly the unprecedentedly low level of general prices, with what are supposed to be its concomitant results: small profits, increasing failures, lethargic enterprise and depressed trade. How different the picture which greets the eye as one surveys the commercial field to-day! Capital is now profitably employed, labor is well nigh at a premium, industrial activity overspreads the land, business failures have diminished, prices of commodities have attained a higher level, the productive capacity of the country has increased, and the earnings of the banks have been quite satisfactory. Nor has Canada alone enjoyed the blessing of a prosperous era. Europe and the United States have also experienced a marked recovery from the depression in trade which lay upon them four or five years ago, and we have seen something perhaps, as near akin to world-wide prosperity as we can hope to witness. There have been, of course, the ups and downs—strikes of labor dislocating temporarily one industry and another, the wars in South Africa and in China throwing their shadow on the money markets and affecting prices of securities; but as a whole, far more than three years, trade in Canada, as in Great Britain and the United States has been distinctly good.

EVIDENCE OF EXPANSION.

Let me cite a few examples of our progression. A little more than eight years ago, namely, on May 18th, 1892, the first annual meeting of the Canadian Bankers' Association was held. At that time the paid-up capital of banks in Canada was \$61,541,650; it is now \$85,784,770. In the same period the "rest account," composed mainly of surplus earnings, has risen from \$24,025,500 to \$33,763,300, or by upwards of 40 per cent. Take the note circulation, the most accurate gauge we have of the activity of the daily business of the country. In April, of 1892, it amounted to \$31,496,300; it is now \$50,387,000, a gain of about 60 per cent., due in part, doubtless, to higher prices of commodities, but mainly attributable to the expansion of trade. Deposits by the public in the banks have gone up in the period from \$155,178,000 to \$284,973,500, an increase of no less than 80 per cent., and a conclusive evidence of the thrift and profitable employment of our population. Turning to the other side of the account, we find that the banks have to-day employed in current loans upon commercial paper, \$272,020,000, or \$80,025,000 more than eight years ago, showing that they have been contributory to and participants in the commercial and industrial development which has taken place. It may be added that the per centage of cash reserves of the banks to their liabilities is slightly higher now than then.

GROWTH OF FOREIGN COMMERCE.

Our foreign commerce has grown immensely in point of value under the stimulus of revived trade in Great Britain and Canada. In four years, that is to say, from 1896 to 1900, the value of imports has risen from \$118,011,500 to \$189,728,400, and of exports from \$121,013,600 to \$191,897,400, representing an increment in the aggregate value of the foreign trade of Canada of \$142,600,500, certainly a very remarkable expansion. Another barometer we may consult is the business failures list, and here, again, the hand points to fair weather. In 1896, the liabilities of traders, who failed in the Dominion, were upwards of \$16,-

200,000; last year they were \$11,077,000; and in the first nine months of this year \$7,411,000, or \$1,144,000 less than in the corresponding period of 1899. I might multiply these instances of improved and enlarged trade from many sources—from the railway returns, the post office returns, clearing house statistics, the insurance statistics, and other landmarks of commerce, but the figures are familiar to you. One other only will I cite, the increase in the value of farm property in the province of Ontario, which was returned four years ago as being \$910,231,000, and is now placed at \$947,513,300.

Turning to the domestic industries of Canada one is struck by its sudden advent into the list of gold-producing countries, our output of this metal having increased in value from \$2,780,000, in 1896, to \$21,050,000, in 1899, while in the year now drawing to a close, it is expected to reach close upon \$30,000,000.

The president referred to the legislation passed at the last session in amendment to the banking act, which, were, he said, of a less important and radical character than those introduced on previous occasions. The amendment conferring on the Bankers' association a control and responsibility and control over the note circulation of the banks was spoken of in terms of approbation. The experience of the past year in connection with the failure of the Banque Ville Marie was quoted as a practical illustration of the utility of former legislation.

He also reviewed the provisions of the act of incorporation granted, under which the association is made permanent, and is constituted an agent of the government in the administration of the bank act. Attention was also called to the by-law adopted at the morning session, providing for a monthly return of the circulation of all banks doing business in Canada, to the association, and giving the association power to inspect their circulation agencies; also providing for the appointment of a curator to supervise the affairs of any bank which may suspend payment. The suggestion that a government inspector of banks be instituted, parliament had, the president pointed out, wisely not entertained; such inspection had always proved abortive of its purpose.

CANADA'S SOLID POSITION.

Evidence of the solid, substantial growth of Canada in all that tends to make a country prosperous are to be found in abundance either by observation of our present condition or by contrasting it with the past, whether it be a near or a remote one. Complaint, it is true, is sometimes voiced that our population increases at a small pace, and comparison in this respect is drawn with the United States, to the disparagement of the Dominion. I would remind you that there are two sides to this question. Mere numbers as themselves do not necessarily constitute a great and prosperous country. If they did, then China would stand in the van of the nations, instead of in the rear. A small community may be free, prosperous and happy, to wit, Switzerland, even though we moderns term it slow, unprogressive, unambitious, old-fogeyish. Our six millions of Canadians have probably as high an average of comfort as any people in the world; we have fewer paupers than European countries, and in point of personal liberty, of freedom of government, of stable institutions, in opportunities for life, liberty, and the pursuit of happiness, we need envy no one. An augmentation of population is desirable in so far as the national strength is thereby increased, but it is a moot problem, if in no other respects a large population is necessarily an added blessing, and certain it is that growth of numbers without homogeneity, assimilation, and unity of national sentiment, is a distinct weakness to a state. Our national security is derived not from strength within so much as strength without; from our position, as a member, and no humble one, of the great empire of Britain. That security, it is no vain boast, I believe, to make, has been rendered yet greater by the events of the past year, and especially by the splendid and moving spectacle of Britain's sons from the four corners of the empire, fighting shoulder to shoulder in South Africa, in the cause of freedom and a united empire. Looking at the attitude of England's first and chiefest colony towards her a century and more ago,

and that of her colonies to-day, how aptly the words of Shakespeare fit the situation.

"This England never did, nor never shall,
Lie at the proud foot of a conqueror,
But when it first did help to wound it-
self.
Now these her princes are come home
again,
Come the three corners of the world in
arms,
And we shall shock them, naught
shall make us rue,
If England to itself do rest but true."
[Note—Mr. Clouston's remarks regarding the proposed Canadian mint, were given in The Commercial last week.]

Retail Trade in Winnipeg.

A visit to some of the leading retail stores of Winnipeg shows that during the last month a very satisfactory business was transacted, larger, in fact, than for the same month last year. There appeared to be no disposition to purchase the cheaper lines of goods, as would be the case if money were scarce, the increased sales, however, are due more to the seasonable winter weather this year than to what is usually termed "good times."

Geo. Ryan, boot and shoe dealer, reports that his business last month was the best in years, with a larger per centage of cash sales. There was no sign of hard times; people bought freely of the better class of goods.

Hoover & Co., clothing and men's furnishings, say that the business for November was in excess of that for the same month in any previous year. They have been in business here four years and this November was 25 per cent. better than any other. This is accounted for by the cold weather coming at the proper time. The class of goods purchased were, if anything, better than previous seasons.

E. B. Nash & Co., dry goods. Sales for this November were about 30 per cent. ahead of last year. We noticed no tendency to beat down prices or to take cheaper grades of goods, but, on the other hand, the purchases on the whole amounted to much larger sums than last year. Saturday, the 1st of December, was the best day during the fall, and we expect to do a better December business if the weather should be favorable.

The Kilgour, Rimer Co., boots and shoes, report business a little better than for November of last year and a better tendency is noticeable for the whole season this year. We received about the amount of business we expected.

The Imperial Dry Goods Co. also report an increase last month over previous years, notwithstanding the fact that the month was broken into by moving the stock into the new premises. They report a good class of business, but this was expected as they are now carrying a better and larger assortment of goods to choose from.

A. G. Morgan, boot and shoe merchant, found business a great deal better than last year, the amounts of the individual sales being larger with a strong demand for the higher grades of footwear. Very little was heard of hard times; people bought freely on an almost entirely cash basis.

Geo. Craig & Co. report sales in excess of those for November, 1899, and the class of goods purchased considerably better. It is possible that business may fall off after the Christmas trade.

The Richard Co., clothiers, reports an increase of fifteen to twenty per cent. over the business for November of last year, due principally to the fact that their business is becoming better known.

White & Manahan, clothing and men's furnishings, also report an increase in business over the same month last year. The cash sales were much greater and monthly accounts were met satisfactorily.

The Winnipeg Free Press prints a rumor to the effect that the Canadian Northern Railway Company will take over the Portage branch of the Northern Pacific, in Manitoba, and make western extensions to this branch. It is just as likely as not, however, that the Free Press has not got hold of the right end of the story.

Myron McBride & Co.

IN LIQUIDATION

Wholesale Men's Furnishings

Neck Mufflers

Plenty of Cashmere and Silk mixtures left in white and attractive colored patterns. Any price between \$1.25 and \$8.00.

Silk Mufflers

Blacks, Plain Colors, Spots, Indian Kerchiefs, Fancy Stripes, etc., at a straight discount of 33½ per cent. A few shaped quilted Mufflers.

Smoking and Lounge Coats

Here's a line that is a snap. In plain colors—Chocolate, Green, Blue and Fawn. Sizes 36 to 42 to clear \$2.75.

SANFORD BUILDING,
PRINCESS ST., WINNIPEG