

### Hudson's Bay Company.

The *Canadian Gazette* last to hand contains a full report of the Hudson's Bay Company's annual meeting in London, England, from which a few brief extracts are taken. Sir Donald A. Smith, chairman, said:

The profits for the year, you have no doubt observed, are £16,496, and there is brought forward £39,864, making altogether £56,360, from which there is to be deducted £32,500, representing the dividend of 6s. 6d. per share, or 2½ per cent., which we recommend, leaving the sum of £23,860 to be carried forward. The bad results of the year's working are owing mainly to three causes—first, the poor out-turn of the trade, second the great sickness and mortality of the Indians; and third the small amount of land sold. Although the sales of last March were in some respects better than those of the former year, yet in one of the most important articles dealt with, namely Martens, there was a very unfortunate falling off in the price obtained. If we go back thirty years and look at the first fifteen years of that period the average price obtained for Martens was 23s. 6d.; while for the last fifteen years the price has been barely 10s. Similarly the price of minks has declined from 12s 6d to 4s 1d. It may be said that this being the case we ought to give less for our furs. Unhappily it is impossible to do so. Indeed, I may tell you that when you were getting as much as 23s, or even 30s for martens over here, you had not to pay so much for them in Canada as you do at the present day. This is due to the competition which we now have to contend against, and which has increased very greatly in recent years. In Winnipeg, in Victoria, and at all other points there are dealers ready to give the highest prices for furs, and we, of course, have to meet this by giving as high prices as may be warranted by the state of the market. We have sent inspectors into the country to report in what directions economies can be effected, and, further, we have acted on the principle of giving up every post or station where it seems certain that no profit can be made. It may be said that if the fur trade has been so unprofitable as a whole, it would be better to give it up altogether. I think, however, that if the proprietors who hold that view were acquainted with all the circumstances they would modify that opinion very considerably. In fact I venture to say that were you to attempt to abandon abruptly the whole fur trade you would lose more than half the capital embarked in it. There are indications, for instance, that martens and minks are rising in price, a result which will probably be contributed to very materially by the diminution in the number of fur seals thrown on the market next year. In regard to the marine insurance account the company has lost nothing this year. Mention is also made of another insurance account, namely, the Fur Trade fire insurance account. In this connection I should explain that we have many posts in Canada upon which it would be impossible to effect insurances in the ordinary way, so that the company has been charging for the past twenty-one years the Fur Trade with £2,000 every year in order to build up an insurance fund. Out of this fund there has been paid during this period £22,859 for losses, and there remains a balance to the credit of the account of £19,543.

With regard to the land sales, you observe

that the sales of farm lands amounted to 17,142 acres for 100,677 dollars, and of 130 town lots for 103,620 dollars, yielding in all 205,297 dollars, as compared with 242,761 dollars for the year ending 31st March, 1890. The actual price obtained per acre, you will see, is somewhat better than that of the year before, namely, \$5.87 per acre as against \$5.75 in 1890.

Mr. McLean said: I think, sir, there is one point upon which we are all agreed—namely, that the report and accounts before us are thoroughly unsatisfactory. In this business of ours we have invested, in the trading branch, a capital of £900,000; we have a company which has been longer established than any other, which has enjoyed—and still enjoys to a large extent—almost a complete monopoly, and which has a prestige and reputation such as no other company can compare with, and yet the net result for the year is that we have not realized a single farthing of profit. The £16,000 so-called profit put down in the accounts comes from our land sales, and properly regarded is not profit at all. I find we have £14,000 of income in the year from interest on debentures, and dividends from investments, and that is all gone also, so the net result is we are many thousands to the bad in our trading, and all our exertions in the West for the twelve months under review have resulted in worse than nothing. For this two main reasons are assigned, namely, the failure in the crop for 1889, and the comparative famine among the Indians. I don't know whether it has been your experience, but it has been mine, that the dispensations of Providence are always cited as the cause for the non-success of the incompetent and the extravagant. We have embarked a capital of £900,000 in the trade, and as far as I can gather from the accounts our turn over in the year has been £261,000. That leads me to conclude that we have far too much capital embarked in the business. If you will cast your eyes over the trading account and look at the London expenses, I think you will realize that they are examples of extravagance. First comes the item "Governor and Committee, £2,400." I would suggest to the board whether they could not consent to take say £1,000 in the shape of fees and make up the rest by a fair percentage upon the profits divided each year. Again we have the sum £3,285 for the salaries of the secretary and other officers. I ask you to say what these salaries are. Over £7,200 goes in warehouse expenses and rent and taxes in London. With regard to the other item "rent and taxes of offices in Leadenhall Street, etc.," which comes to nearly £4,000, that is simply preposterous, and I trust if you are going to cut down expenses in Canada you will not omit to do the same at home. Then there are sums of £1104 for stationery and printing and £1,888 for miscellaneous expenses, altogether £3,000 for these items alone. I ask you, sir, to explain them. With regard to the bad harvest of 1889, it strikes me as strange that, while this should account for our non-success, the Canadian Pacific railway company has been going on steadily improving, increasing its traffic and profits, until now its shares stand at a higher figure than ever before. How is it that a railway company, in the very same region as that which we occupy, is ever increasing its earnings and doing a bigger business; while we, with all our capital and prestige, are going steadily from bad to worse? With reference to

the famine among the Red Indians, what I say is that it is no business of ours to play the part of a paternal government over these unfortunate men. There was a time, it is true, when this company actually was the government, and when it was really its duty to look after them in this way, but that state of things ceased the moment we handed over our territory to the Dominion of Canada. Now, sir, let me say a word in regard to the important question of the purchase of stock. Last year we purchased £200,000 worth. I would like to ask upon what principle these goods were purchased. Do we buy in the cheapest market and do we get tenders wherever it is possible to do so? We pay cash and buy large quantities, and therefore there is no company which ought to buy goods more cheaply than we do. There is another point in regard to our West trade. We don't know at what expense it is carried on. The accounts don't show us, and it is impossible to find out particulars about it. Whether the Winnipeg store is making a profit or a loss no one knows. Whether the store at Vancouver is losing or earning money is not stated, and the same applies to all our ports and trading stations throughout the country. The whole thing is lumped together in such a way that it is quite impossible to make head or tail of it.

J. Jacobs (Birmingham) said: It seems to me, sir, that you let the cat out of the bag when you said in your speech that you were going to close up those businesses in Canada which do not pay. You also seemed to me to make a most extraordinary admission when you confessed that since other traders have gone to Canada you can no longer make profits. As a business man, I should view the matter rather differently. If I had a business which once did pay, but which, in consequence of competition, ceased to pay, I should not suggest the winding up of the business; I should simply change my manager. What we want is a sweeping change, both on the board in London and among the officials in Canada. It appears to me that we have a capital of £1,300,000, and with this make a profit of £16,000, which is absurd and ridiculous. My shares stood once at 38; to-day they stand at 15½. One year, we are told it is owing to a rainy season, next year it is put down to a dry season; one year furs are in fashion, next year they are out of fashion; and so it goes on from year to year.

Mr. Lomas thought the £23,000 carried forward, being money earned, ought to go into the pockets of the shareholders. As it was, if proprietors depended upon the dividends of the company for their support, their condition would soon be as bad as the Indians who had been referred to. The chairman, replying to the various questions said: As to the purchases made by the company, we endeavor to buy in the cheapest, as well as the best market, and wherever possible obtain tenders from different quarters, not only in this but also in Canada. The suggestion made that we should hold the furs over when we cannot get good prices has often been considered and pronounced impracticable.

The expenses of the land department are larger than we could wish, but they are steadily being reduced. Last year there was a reduction of £2,000 in this item, and this year a further decrease of £1,110. I have much hope that better times are in store for us, and