

THE COMMERCIAL

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The Commercial certainly enjoys a very much larger circulation among the business community of the vast region lying between Lake Superior and the Pacific Coast, than any other paper in Canada, daily or weekly. By a thorough system of personal solicitation, carried out annually, this Journal has been placed upon the desks of the majority of business men in the district designated above, including Northwest Ontario, the Provinces of Manitoba and British Columbia, and the Territories of Assiniboia, Alberta and Saskatchewan. The Commercial also reaches the leading wholesale, commission, manufacturing and financial houses of Eastern Canada.

WINNIPEG, JUNE 28, 1897.

BANK STATEMENTS.

Now are the days of the annual meetings of our banks. One after another the chartered banks have been holding their meetings in rapid succession. The statements presented at the annual meetings of our leading financial institutions naturally attract much attention all over the country, among business men, as they are supposed to furnish a guide to the business situation, actual and prospective.

General Manager Clouston, of the Bank of Montreal, did not take a very hopeful view of the situation, despite the fact that the business of the bank for the past year may be considered as very satisfactory. The profits only show a falling off of some \$10,000—a mere trifle in a business so great as that done by this bank. The profits further permit of the payment of the usual ten per cent dividend, besides allowing a small balance on the right side to be carried over. The net profits were also larger than in 1894-95, though a trifle smaller than in 1895-96.

Mr. Clouston however, did not appear to be fully satisfied with the situation, and he spoke of the increased difficulty of maintaining the profits with the present low value of money in foreign markets." He referred to the seven years since 1890—since the banking failure—as seven lean ones for bankers. However he said Canada has fortunately been comparatively free from financial heresies, and to that

we owe in a large measure our comparative immunity from the troubles which have agitated the neighboring country during the last few years.

Of the future Mr. Clouston spoke as follows: "In Canada the future is still shrouded in uncertainty. The past year has been very disappointing, a year of increasing business depression, full of unsettling incidents, and there have been a considerable number of failures. More will have to follow, unless some improvement takes place this year. The position, so far as I can read it, is this, and it seems to me a very delicate one: Any further depression, coming on a community already weakened by a long fight against adverse circumstances, will precipitate a very serious state of affairs, worse than anything we have yet had to encounter. On the other hand 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, may yet make this year the beginning of a prosperous cycle. The position is not by any means hopeless. Crop prospects are good in the west, fair in Ontario, though backward in Quebec. Mineral development still continues in the West and is adding daily to the wealth of the country. Though our lumber trade with the United States is not in a satisfactory position, our trade with England is good. The manufacture of pulp promises to grow into a most important and valuable industry, for in this country we have unlimited quantities of the finest raw material in the world, with magnificent water power and reasonable labor. The cheese and butter trade promises to be a large one, and we appear to be on the eve of a large development in our bacon and ham trade. Negotiations, judging from the newspapers, are practically completed to build a railway into the British Columbia mining region. This of itself will be almost sufficient to start the hands of the commercial barometer towards fair weather. The position is not by any means hopeless, but require careful treatment and all the encouragement that can be given.

More hopeful is the view taken by Mr. George Hague, general manager of the Merchants' bank. In his address he said:

"The expansion of deposits alone is the most striking feature, and I venture to say there are very few communities of five millions of people of the same character as those of Canada, in the world, who have saved as much money in the same time. But we are making less net profits than we used to do. That is an undeniable fact. This arises, not because our own business has fallen off, for it has not. Our business is well maintained in volume, but the ratio of profit for doing that business has seriously diminished."

Mr. Hague reviewed the situation at great length. Speaking of the west he said:

"The men who have grown grain on our western prairies have as a rule, done well, many of them exceedingly well. The yield was a good average one, and, though much less in quantity than that of 1895, was very much better in quality, and brought a much larger price. A tract of country which produced little but furs, and

had little or nothing in it but wild animals and the establishments of the fur trading corporation of the Hudson's Bay Company twenty-five years ago, and which produced sixty million bushels of grain in 1895, besides raising large quantities of cattle and dairy produce, is not the kind of country that some very ignorant people assert it to be. For there is, perhaps, no track of country in the world where the labors of so small a number of people have produced such enormous results. Yet the development of the country is only beginning.

There is room easily, for five times as many farmers in Manitoba and adjoining territories alone, and it certainly would be good policy on the part of the British government to aid in every possible way the diversion of the stream of emigration from her shores to those vast food-producing regions held under the British flag, and whose productions in another decade or two, might render her independent of all other sources of supply."

The Merchants' Bank of Canada succeeded last year in clearing net profits amounting to \$542,439, which is 9.04 per cent on the paid up capital. This sum provided enough to pay two dividends each of four per cent, and leave \$62,439 to be carried to profit and loss.

Mr. B. E. Walker, general manager of the Bank of Commerce, also gave a lengthy review of the situation at the recent annual meeting of this bank. Mr. Walker regards the period we are passing through as one of "readjustment," more severe and general than before experienced. Prices have fallen; profits of trade cut down; the volume of business been diminished. These causes have created a necessity for economy in living, the effects of which have been seriously felt in all departments of trade. More especially has the retailer been injured by such conditions; indeed Mr. Walker spoke of the country dealer being in many cases obliterated by competition, especially by that of departmental stores. Mr. Walker was very emphatic in warning farmers against raising hogs on corn, as certain to ruin the reputation of Canadian bacon. He urged the necessity of adapting our products to the British market, which, he was convinced, by being judiciously catered for, would take a very much larger volume of our exports than we now realized.

The financial statement of the Bank of Commerce shows net profits of \$445,730, which enabled the directors to declare dividends of 7 per cent, leaving a sum of over \$25,000 to be carried over.

The Imperial bank succeeded in clearing \$189,196 in net profits last year, which, though slightly below the amount in 1895, was sufficient to provide for two dividends of four per cent each, a bonus of one per cent, and leave \$11,890 to be devoted to