THE TORONTO WORLD

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FRIDAY MORNING, JUNE 17, 1887.

No Canadians Need Apply.

The telegraph despatches have from day to day been telling us of a movement afoot in the border towns of the United States to boycott every Canadian earning his living therein. The first gun was fired in Buffalo when The News demanded the dismissal of two Canadians employed in the life-saving service. Sooner than lose their bread and butter the poor fellows were constrained to declare their intention of forswearing their country.

The second gun has been fired in Detroit. Parks, Davis & Co. have dismissed every Canadian in their employ who had failed to become an American citizen. And so it goes. All along the line the motto is: "No Canada need apply."

Again, the Illinois Legislature has passed a law incapacitating any alien from holding land in that State.

Were Canada to thus discriminate against citizens of the Union there would be a prolonged howl, in which the annexationist press of this country would not fail to join; but so long as it is Canadians who are affected The Globe, The Mail and their allies will enter no protest. This is the shame and the disgrace of it. No wonder our neighbors think Canadians are a "poor lot" when some of them display so poor a spirit, and so little respect for either themselves or their country.

A Treaty for Mexico—Annexation for Canada.

They have a Senator Plumb over the border, as well as we have on this side. He hails from Kansas, and is a man of some note in the Republican party. Being in New York lately, he was interviewed by The Tribune, and expressed himself regarding farmers, markets in the west, rail and water routes, the new railway commission, and other topics. He said among other things that he regretted the failure of the treaty with Mexico, which was negotiated by General Grant during Arthur's administration. Had that treaty gone into effect, it would have greatly benefited the farmers of Kansas, but though the Senate adopted the treaty the House refused to provide the means, and the agreement fell through. We quote:

"Under that treaty the Kansas farmers who now feed their surplus corn to the cattle brought from Texas, New Mexico and Colorado to fatten them for Eastern markets, would have the food product of the cattle ranges of Old Mexico to rely upon, and the Eastern consumer of beef would have been that much benefited. Mexico also takes increasing quantities of flour, pork, corn, etc., and with the diminished duties upon these products provided by the treaty, the consumption would be greatly increased to the advantage of Kansas farmers. What we want with Mexico is fair reciprocity."

"Why not annexation?"

"We do not want to annex Mexico, because of the differences of race and general characteristics of the people. The Mexicans would not assimilate, nor come up to the high standard of American citizenship. It is greatly more to our advantage to have commercial relations and to stimulate the free exchange of products than to bring a million with Mexico. With Canada it is an entirely different matter. There we ought to have no reciprocity. We ought by legislation to demonstrate to Canada *not the benefits of reciprocity, but the necessity of annexation.* When we lock arms with Canada we want her people as full partners. We do not want the Mexicans as partners, but as commercial allies. We can dominate Mexico in a large measure in a commercial way. *This would not be true of Canada, because of her relations to Great Britain.*"

Senator Plumb, of the State of Kansas, seems to have Canada's relations to the Mother Country more in his mind's eye than have Mr. Darling, Mr. Fuller and the men who run The Globe and The Mail, all of them professed loyal subjects of the Queen.

Mr. Plumb's reasons why reciprocity will meet the case of Mexico, while nothing short of annexation will settle that of Canada, are suggestive. And they make a remarkable coincidence coming directly after what the correspondent of The New York Times puts into the mouth of Sir John Macdonald, in a recent interview. Our Premier is thus reported:

There may be many people in the United States who favor commercial union just as there are people in Canada who favor annexation, but they are both scattered, and upon such a platform could not reach office. There may be annexationists in the House of Commons, but they could never be elected to Parliament as annexationists, and they have never attempted it, and annexation will not come to pass in my time, no, not in fifty years. Many changes may occur in such a period. It is impossible to foretell the condition of the United States fifty years hence, but the signs of the times are such as do not nourish the desire in Canada for annexation. There is a feeling amounting that a conflict is impending there between the elements of order and disorder, the haves and the have nots. The foreign element of ignorance and disorder is obtaining great strength there, and yearly becoming more aggressive. Canada is not troubled in the way; her institutions or existence is not menaced; her life is peaceful and condition prosperous.

There is room on this continent for both countries. The adversaries of the future are that of political parties, is for the benefit of peoples and parties; it brings the brightest minds to the front and is productive of mental and physical energy. Such has been the experience of ages. Rome declined after becoming mistress of the world; there was apparently nothing left to struggle for. The brightest period in the history of Greece was when she was divided into small states. When Alexander of Macedon conquered all Greece, the country sank into lethargy. No one will argue that it would have been for the benefit of Europe if Napoleon had succeeded in his scheme of conquest; the test of excellence would have become a French pretet. Why should the result be different if the United States were to adopt a policy of conquest or widespread amalgamation? If Canada were annexed, the next step would be to conquer or acquire Mexico, and the country would in time become an English-speaking China, unwieldy in extent, and without the incentive that at present exists to compete with her neighbors.

Sir John casts a statesman's glance over the border, and he sees there in the future a danger which he advises that Canada had better stand away from. Evidently it is the same danger that Mr. Plumb has in view when he says that the Mexicans might do to make a commercial treaty with, but to transmute into citizens of the Republic—never. In all which there ought to be much food for reflection for our Canadian annexationists, that is—if they are disposed to reflect at all.

Montreal's Business Men Against Commercial Union.

The New York Times has a correspondent now going through Canada, trying to find out what "show" there is amongst us for commercial union. Already he has been in Ottawa, Montreal and other places, and has interviewed a number of our prominent men. The business men of Montreal he reports as being too conservative entirely to think of the proposed change. With them it is most emphatically "not for Joe," they will have none of it. They seem to think they are doing very well as things are, and they want no such strange and disturbing element as commercial union with the United States thrown in to upset their calculations. As a rule they want Sir John and the National Policy to stand; which shows their good judgment as business men, we should say. Plump and plain, they refuse to consider Erastus Wiman's commercial union Chinese lantern a live issue at all. 'Rastus himself they think to be a "moving man" and a live one; but they don't want to be bothered with this commercial union "fad" of his.

The correspondent gives up the Montreal business man as a hopeless case as far as converting him to commercial union is concerned. But he has hopes of the Toronto man, of the business men of Canada's Chicago, as he calls the Queen City. The Toronto man, says he, has had his inning, and came out boldly and explicitly either for or against commercial union. Especially against—he will be likely to add, we think, when he hears further from Toronto. Meantime it is one indication to be welcomed that the annexation-mongers must be forced to recognize that they have the business elements of Montreal straight against them.

The Merchants' Bank.

The annual meeting of the Merchants' Bank of Canada was held at the head offices in Montreal on June 15. The annual report of the directors showed the net profits of the year to have been $633,960, out of which two seven per cent. dividends have been paid, and $200,000 added to the "rest" account, also $21,608,23 carried forward to profit and loss for next year. It is evident from the report that the bank has done a most satisfactory business during the year, and has increased its net profits over last year by over one hundred thousand dollars. Mercantile discounts appear to have been on the increase, a fact not due to the injudicious opening of new accounts, but to meet the necessary legitimate requirements of its mercantile customers. In his report to the shareholders, General Manager Hague alluded to the death of Mr. Smithers of the Bank of Montreal, whom he characterized as a "wise and faithful friend, whose death was a loss to the whole banking community and the country at large." Mr. Hague stated that the Merchants' was gathering about it a class of customers with whom it was satisfactory to do business. Touching upon the "rest" account, the General Manager looked forward to the day when it would pass $3,000,000. Speaking of the state of trade he mentioned "marked indications of growth and prosperity in many quarters and the striking development of building enterprise." In regard to failures, they were on the increase, a fact that should not be lost sight of. But the crops during the past year had been good and Canadian farmers had not suffered, although Manitoba agriculturists had been slightly disappointed in the harvest. Trade matters were alluded to at length, the practical manner in which Mr. Hague dealt with questions affecting our mercantile interests being well received. The General Manager's address will be read with great interest by our business men, as Mr. Hague is looked upon as an authority in financial matters—a practical, expert banker, who is never afraid to make a true statement to his directors. The exhibit for 1886-7 is a most excellent one, reflecting great credit upon the General Manager and his subordinates. A careful perusal of Mr. Hague's report will repay every mercantile man in Canada.

An exchange is greatly elated at the candor, and the evenly balanced judgment of The Toronto Telegram. The following puts it into ecstacies of admiration: "Either the people of this country are in favor of prohibition of the liquor traffic or they are not." Sir Roger de Coverley himself could not improve on this wonderful deliverance, although he made a reputation for candor by saying that "much could be said on both sides;" which side was the heavier his cautiousness would not permit him to say.

If Mr. Tyler, Vice-President of Congressman Butterworth's American Telephone swindle, avoids being sent to penitentiary for a third term he may work the hayfork fraud on Farmer McMillan of Orangeville.

The Chicago Inter-Ocean demands that Canada shall throw open her medical market to American doctors without regard to qualification. As our medical standard is high, as the United States is famous for quacks, and as we produce plenty of doctors ourselves, we might object, but we suppose if Brother Butterworth says so it will have to be done, else The Globe will boycott the Canadian doctors.

The United States whisky ring, in a desperate effort to keep up the price of corn juice, have ordered a cessation of production in Kentucky for one year. This hardship has been brought upon them by the cruel refusal of Sir John A. Macdonald to let Prohibitionist Bunting build a monster whisky warehouse in Toronto. No wonder Sir John is disliked by The Mail and the American whisky ring.

The Hamilton Spectator declines an invitation to attend and write up the Butterworth-Wiman hippodrome exhibition at Dufferin Lake, because those men come here upon our national holiday, to demand that we shall abrogate our right to enact our own tariff laws, and shall pay into their proposed international customs pool $30,000,000, and shall draw out only $15,000,000. A Canadian who objects to a little thing like that must be, to quote the Globe, "a patriot," and a "loyalist."

The Yonge-street annexation organ cannot understand the difference between commercial union and the old reciprocity treaty. This is the fault of its understanding. The difference is as great as the difference in the respective meanings of the words "complete" and "partial." Moreover, the old reciprocity treaty did not discriminate against Britain and the rest of the world. The Yonge-street organ also fails to understand the difference between commercial union and the N.P. The latter does not discriminate in favor of the United States, but it does give our native industries that protection which commercial union is expressly designed to destroy. The same journal was formerly an advocate of a high export duty upon lumber for the protection of our forests, but it now wants them opened to foreign speculation. Its understanding must be badly in need of a surgical operation.

Henry George boasts that his newspaper is "a phenomenal success." If so, it has become so upon the ruins of John Swinton's prior venture in the same field. Henry has cut John's throat in a most ruthless and unbrotherly manner, just like an ordinary bloated monopolist. We are glad to know that Mr. George's lectures and books are also profitable, so that poverty is abolished so far as he is personally concerned, thanks largely to the monopolistic copyright law. But a few consistent communists think that it is time for him to divide his profits. That is exactly what he is doing. Henry is dividing with George, share and share alike.

Oddfellows and Foresters in the Procession

Editor World: I notice in your list of societies to form the procession you mention Oddfellows and Foresters. This is very misleading to the public, because the Independent Oddfellows and Canadian Order of Foresters, by far the largest orders under those names, will not be there on account of making other arrangements to celebrate the jubilee since the downfall of the late bylaw. We shall be just as loyal, if not more loyal, than those in the procession, because we did not wait to bestir ourselves till we got ashamed of what other cities were doing.

Now let there be a proper list issued giving the full names of societies going in, and then the public will not be disappointed if they do not see the larger orders present. TRUTH.

[The list published in The World was the "official one," as far as the Reception Committee is concerned. The list of societies, as printed, was drawn out of a list in the order named. The Reception Committee is responsible for their correctness or otherwise.—ED. WORLD.]

Where Are You Going?

—If you have pain in the back, pale and sallow complexion, bilious or sick headache, eruptions on the skin, coated tongue, sluggish circulation, or a hacking cough, you are going into your grave if you do not take steps to cure yourself. If you are wise you will do this by the use of Dr. Pierce's "Golden Medical Discovery," compounded of the most efficacious ingredients known to medical science for giving health and strength to the system through the medium of the liver and the blood.

—Don't fail to procure Mrs. Winslow's Soothing Syrup for your children while teething. It has been used by millions of mothers during the last forty years for their children. Cures wind colic, diarrhœa. Be sure and get Mrs. Winslow's Soothing Syrup. 25c a bottle. 135.

MERCHANTS' BANK, CANADA

ANNUAL MEETING OF SHAREHOLDERS AT MONTREAL.

An Able Address by the General Manager—A Comprehensive Review of the Financial and Commercial Position of the Country.

MONTREAL, June 15.—The annual meeting of the stockholders of the Merchants Bank of Canada was held in the Board Room of the institution at 12 o'clock yesterday, when there was a good attendance of stockholders, amongst those present being Messrs Andrew Allan, President; Robert Anderson, Vice-President; Hector Mackenzie, J. P. Dawes, John Duncan, Thomas Workman, John Crawford, J. P. Cleghorn, J. H. R. Molson, F. S. Lyman, E. F. King, A. C. Clark, D. R. Stodart, John Morrison, John Dunlop, J. Alex. Strathy, Murdock Mackenzie, A. A. Allan, W. J. Withall, and others.

The proceedings were opened by the president, Mr. Andrew Allan, taking the chair.

The President called upon Mr. W. N. Anderson to act as secretary of the meeting.

The Secretary being called upon read the advertisement calling the meeting.

The President then read the following

ANNUAL REPORT OF THE DIRECTORS.

The Directors of the Merchants Bank of Canada beg to report to the shareholders as follows:

The net profits of the year, after payment of interest and charges and deducting appropriations for bad and doubtful debts, have amounted to	$633,960 99
Balance from last year	3,585 24
	$637,552 23
This has been disposed of as follows:	
Dividends Nos. 36 and 37 at 7 per cent	$405,944 00
Added to the "Rest"	200,000 00
Carried forward to profit and loss account of next year	21,608 23
	$637,552 23

The position of the bank as a whole is shown in the statement of liabilities and assets subjoined.

The bank has done a satisfactory business during the year, and realized a net profit exceeding that of last year by nearly $108,000.

It will be seen by comparing the balance sheet of last year with that of the present that the circulation of the bank has been well maintained. Deposits at the date of the present balance sheet show a slight reduction, but taking the average of the whole year very little difference will be found.

The principal difference in the working of the bank between last year and this was in the steadily increasing line of mercantile discounts. While the total of these was $13,079,000 a year ago, the amount shown this year is $13,918,000, or $840,000 more. This is due not so much to the opening of new accounts as to the gradually increasing requirements of our mercantile customers. And so far as the board can judge the increase is for legitimate business purposes.

As the means of the bank were more and more required for purposes of mercantile business, the funds employed in the shape of call loans on bonds and stocks were drawn upon, so that at the present they show a diminution of $750,000. This brings about an increased profit to the bank.

The board have had pleasure in watching the gradual and steady growth of the "Rest" of the bank from year to year, and the stockholders will be gratified by finding that the sum of $200,000 has been added as a final result of the business of the year just closed, after writing off bad debts and making a large allowance for contingencies. This brings up this fund to the sum of $1,700,000, being 204 per cent. on the capital.

The important subject of a pension fund for the officers of the bank has engaged the attention of the Board during the year, and they have taken part in promoting an act for that purpose now before the Parliament in Ottawa. The act is permissive in its character, and the directors trust that in due time its provisions may be taken advantage of by the officers of the Merchants' Bank.

The General Manager's term of service having recently expired the Board have entered upon a re-engagement with him for a term of years.

The officers of the bank have discharged their duties with ability and to the satisfaction of the board, and the directors have had the pleasure of distributing about $12,000 amongst them in the shape of a bonus.

The whole respectfully submitted.

ANDREW ALLAN, President.

STATEMENT OF ASSETS AND LIABILITIES AT MAY 31, 1887.

Liabilities.

1. To the public:		
Notes in circulation		$ 2,883,754 00
Deposits at interest (including interest accrued to date	$5,546,753 46	
Deposits not bearing interest	2,726,094 88	
		$ 8,272,848 34
Balance due Canadian banks keeping deposit accounts with Merchants' Bank of Canada		463,954 61
Balance due Canadian banks in daily exchanges		35,340 12
Balances due to agents in Great Britain		479,100 21
Dividend No. 87		202,972 00
Dividends unclaimed		4,750 37
		$12,347,729 71
2. To the stockholders:		
Capital paid up	$3,799,200 00	
Rest	1,700,000 00	
Continuent account	121,550 00	
Balance of profit and loss account carried to next year	21,608 23	
		7,642,358 23
		$19,990,087 94

Assets.

Gold and silver coin on hand		$ 258,426 68
Dominion notes		606,206 00
Notes and cheques of other Canadian banks		475,627 37
Balance due by other Canadian banks in daily exchanges		71,224 06
Balances due by banks and agents in the United States		641,914 64
Dominion Government bonds		1,968,335 76
Railway and municipal debentures		105,945 16
Call and short loans on bonds and stocks		1,089,849 65
Total available assets		$ 4,917,629 32
Time loans on bonds and stocks	$ 214,651 29	
Other loans and discounts	13,918,555 50	
Loans and discounts overdue, and not specially secured (loss provided for in contingent account)	109,406 52	
Loans and discounts overdue, secured	114,096 89	
		14,356,710 20
Mortgages, bonds and other securities, the property of the bank		120,440 20
Real estate		138,619 91
Bank premises and furniture		429,633 49
Other assets		17,134 82
		$19,990,087 94

G. HAGUE, General Manager.

The President then moved, seconded by Mr. Robert Anderson:

"That the report of the directors as submitted be, and the same is hereby adopted and ordered to be printed for distribution amongst the stockholders."

The President: It will now be in order for any gentleman present to ask any questions he may desire, but I will first ask the General-Manager to address you.

THE GENERAL MANAGER'S ADDRESS.

The General Manager, Mr. George Hague, then said:

Mr. President and Gentlemen,—Before passing to other topics, I [illegible] to say a word or two with respect to the untimely demise of the late President [illegible] the Bank of Montreal, Mr. C. F. Smithers. The death of that gentleman was a loss not only to the Bank of Montreal, but to the whole banking community and to the country at large. Bankers have much to do with one another, and all who have had intercourse with Mr. Smithers will testify that in dealing with his banking associates he was courteous, considerate and friendly; and while shaping the policy of the Bank of Montreal with a keen and practised eye so as to further its interest he was never unmindful of the position and rights of others. That he conducted the bank with consummate prudence was an advantage, not only to the bank itself, but to the whole country, using, as he did, the great resources of that institution in such a manner as to develop and foster legitimate enterprises, while discouraging rash and foolish ventures. Personally, in the death of Mr. Smithers, I have lost a wise and faithful friend. I could not let this occasion pass by without rendering a tribute to his memory.

WITH REGARD TO OUR OWN AFFAIRS,

the report has informed you that the year has not been unprofitable. The bank is gathering about it a circle of customers with whom it is satisfactory to do business, who not only borrow the bank's money, but use it to make money for themselves, and repay it when due. With customers of this class it is a satisfaction to do business; for the profit made by the bank on transactions has been made out of their profit and not out of their capital; still less has an anticipated profit turned into a loss. For the first loss of a bank is the loss of all the profit on an account, and afterwards more or less of the money advanced. It must be confessed that all banking profits are not of a satisfactory nature. It is not pleasant to think that the money we have lent a man has been the instrument of his ruin, even if we recover it. Neither is it satisfactory when the borrowings of a man are so large, in proportion to the extent of his business, that it takes most of his profits to pay interest on his loans. The lasting prosperity of a bank is founded upon transactions with the class of customers first spoken of, and the judgment of a banker is to sift such out of the mass of people who offer him their business.

LOOKING BACK

upon our own business, I think the greater part of the money earned on the loans of the year has been of this satisfactory character. We have realized, on the whole, a fair amount of profit. You have got 7 per cent. of it. The balance has gone to build up the Rest. That fund is growing, and I trust will continue to grow, for we will not be satisfied until it has passed $3,000,000. Even then we ought to have a reserve of undivided profits to fall back upon. But all this will take time. A period of keen competition in banking has set in, and profits are cut down to a finer point than is reasonable. I have no hesitation in saying this. At present we do much business for nothing. It may be said that the public gets the advantage of this, just as it does when competition reduces the price of commodities. But this is not an unmixed good. "Live and let live" is a motto that will wear. It is better in the end for men to pay their bankers a reasonable sum for service rendered. Good relations are established between them, which are invaluable in times of difficulty. It is not worth while for any man to fritter away time on which his commercial existence may, at some time, depend, for the sake of saving a few dollars per month.

THE STATE OF THE COUNTRY

during the year has not been altogether satisfactory. We could not make it had you by any means; far from it. For there are marked indications of growth and prosperity in many quarters. In saying this I do not altogether allude to the striking development of building enterprise which meets us in some parts of the country. Such enterprises are not always prudent. Many a business has been hampered by unreasonable building extension, and sometimes brought to the ground. The year has had its drawbacks. We had a hard winter. The effect has been, in many quarters, deferment of retail purchases, delays and loss of market for certain classes of goods. The cost of getting out logs for the lumbermen, and timber for the English market has been largely increased, rendering bank advances heavier, the interest account higher, and profits less. It is to be noticed, too, that the total number of failures is increasing. This is a feature never to be lost sight of. The total amount of failures in 1881 was $5,750,000, in 1885 $8,861,000, in 1886 $10,386,000. For the first quarter of 1887 the amount is $6,602,000. If continued at the same rate through the year the total for 1887 will be $14,400,000. In the disastrous years ending with 1879, failures run up to such totals as $23,600,000, $25,000,000 and $29,000,000. It is not pleasant to see the list from which these totals are made up. But these figures. The total for this year has been augmented by exceptional occurrences in New Brunswick. But failures have been heavy also in the Province of Ontario. It is to be hoped that the rate of failures with which the year commenced will show a diminution as the advances.

THE AGRICULTURAL COMMUNITY

cannot be said to be suffering as a whole, for the crops of last year over the greater part of the country were good. The Canadian farmer, too, has many sources of resources. But prices have continued on an exceptionally low scale. This, of course, has its good side as well as its bad. It is good for the consumer, now a most important class, owing to the development of manufactures. There has never been a time when the rank of the laboring class of this country could live so cheaply and comfortably and have such opportunities of saving money as the present. Of this, thousands have availed themselves, much to their credit. The only articles which have realized a good price to the producer are his dairy products, now a great industry, for which we are making for ourselves an increasingly good name. Canada, in fact, is rapidly emerging from that condition in which her products were always confounded with those of our neighbors, and called "American." The recent Colonial Exhibition in London has had much to do with giving us a distinct character and name; and, it is hardly too much to say that the term "Canadian" as applied to products of any kind, will henceforth be a synonym for good quality. The agricultural interests of

MANITOBA AND THE NORTHWEST,

however, had disappointment in the harvest. But though our Northwest has passed through seasons of trial, it would be unwise to take a pessimistic view of its future. The settlers, of nearly all the States of the West, Illinois included, were marked by trying seasons. Some settlers gave up in despair. The bulk of them, however, held on; being ultimately rewarded by comfort and competence. The Province of Ontario passed through the same experience about thirty years ago. After an inflation resembling the late Northwest boom, it suffered a depression of corresponding severity. Crops were bad for years in succession; the country became poorer and poorer, and farmers more and more deep in debt. A shrewd judge of business matters, to my knowledge, at that time, expressed the opinion that Upper Canada was ruined beyond redemption. But this state of things passed away in time, and the development of recent years is a matter of notoriety. I have a conviction that in the Northwest we shall see a similar recovery. I do not think, however, it will be as rapid as I once thought it would be; but it will doubtless come. In Manitoba, as in other places, there has been the mother of invention. Bad grain crops have driven farmers to mixed farming and cattle raising—a great improvement on the old order of things. One thing about the Northwest is certain. It has been proved that a very superior quality of wheat can be grown there; some say the finest in the world, and in a reasonable quantity per acre. It is beyond doubt a splendid region for cattle. Dairy products must flourish there in time. Land is cheap, and around Winnipeg alone there are tens of thousands of acres of good land at low prices, ready for the settler to go in and occupy it and prosper. To the development of coal mining and cattle ranching on this side the Rocky Mountains, together with mining, lumbering and ranching in British Columbia, the shipping and fishing trade of the Pacific coast, the through trade now rapidly developing with China and Japan, I need make no more than a passing allusion. All of them are fruitful of possibilities. But these possibilities will result in nothing except to men who understand their business, who are willing to work hard, adapt themselves to new conditions, take advantage of new openings, and be ready to concentrate their energies, each upon his own business, in his own place, and in his own line. While passing no opinion upon political questions, I make bold to say that men of this kind, whether farmers, or otherwise, will make a success of their business and lay up money,—no matter what political grievances some people may complain about. Indeed, as time goes on, I am the more inclined to think that

LEGISLATION ON ECONOMIC QUESTIONS,

whether bad or good, has less to do with the permanent success of individuals than is supposed. I am increasingly convinced also that the alternations of good times and bad times have less to do with individual success or otherwise than many persons think. Not but that good legislation, and prosperous times, wisely taken advantage of, may largely conduce to the accumulation of wealth. No president-man would deny that. But prosperous times to many men—I am not sure if not to the average of men—are times of danger, in which the seeds of future disaster are sown. All experience proves that there is no time when men need more to keep their heads cool than in times of general buoyancy. The men who permanently prosper are those who are neither much lifted up by prosperity nor depressed by adversity. These you may say are obvious truisms. So they are. But they are always pertinent, and they will never cease to be pertinent so long as average human nature is what it is. If a few words are ventured about the

POSITION AND PROSPECTS OF THE COUNTRY,

it must be with the full understanding that the opinions just expressed are sound. If I say that the prospects are good generally, it will be no justification for men to venture beyond their means into imprudent lines of operation, even in their own business; nor, if I say that the aspect is clouded, will it be any justification, either for politicians or any others, to say that the country is "going to the dogs." There is no country in the world, England included, that has not been on the brink of ruin over and over according to pessimists and croakers. I am not defending imprudence and rash plunging into debt. Far, indeed, from it. I am only deprecating unreasonable aspersions and comparisons.

We do not need, at this time of day, to say that Canada is a fine country. But it may be needful, from a business point of view, to say that there is a natural bond of union between its various parts. The foreign trade of Canada with the United States and England is large, but the internal trade between the various provinces is very large also. The bonds of trade connection between the Maritime Provinces and the provinces of Ontario and Quebec are close. These two central provinces, in fact, have intimate trade relations with all parts of the Dominion, from the Atlantic to the Pacific, to the mutual advantage of all, though the natural productions of all our provinces find their best market in foreign parts. A reciprocity treaty between ourselves and the United States, comprising natural productions, was for the advantage of both parties twenty years ago, and it would be for the advantage of both parties now. But Canada does not need to supplicate for it. It is a pure matter of business, to be arranged on a rational basis, with prospective advantages for both parties. While on this subject I may say it would be of great advantage if

MORE COMPLETE STATISTICAL RETURNS

respecting the whole of our trade and productions were available. It would be interesting to know, not only what we export, but what the whole Dominion produces, from its farms, forests, fisheries, mines and manufactories, by provinces respectively. Of manufactures there has been an enormous development during the last seven years. It would be interesting to know how much we manufacture in cotton and woolens; what is the production of our foundries and implement works, together with the vast variety of miscellaneous manufactures established amongst us. The United States and the

AUSTRALIAN COLONIES,

as we know, pay much attention to this subject, to their great advantage. It would be desirable, too, if we had some means of ascertaining the growth of the income and accumulated wealth of the Canadian people. But to return, we have a

COUNTRY FULL OF NATURAL RESOURCES.

But these are valueless unless developed by the people with intelligence and industry. It is the people that make every country. If every man does his own part in this work, according to the ability God has given him, the whole country will prosper.

My impression is that the country as a whole—though I cannot speak of every single part—is in a fairly prosperous condition, and that the outlook is encouraging. But men of business should be careful about presuming on their power of borrowing much additional money from the banks. The available resources of the banks are six millions less than at this time last year. Their loans and discounts are $8,000,000 more. It would not be prudent for the banks, as a whole, to extend their discounts much; and they certainly could not allow their available means to be decreased another six millions. Long before that, money would be very tight indeed.

The prospect of our grain crops is remarkably good, particularly in the Northwest. Our dairy interest promises well for the market. Our manufactures are becoming more and more diversified, for here, again, necessity has been the mother of invention. This latter interest, as a whole, is working well. We are finding out year by year what we can make to profit, and what we cannot. We shall find, I think, that the products of our forests have been remunerative this year. Railway traffic has assumed large dimensions. Greater competition is continually developing superior facilities, which in turn bring increasing travel and traffic. With respect to

OUR IMPORTING TRADE,

its prosperity largely depends upon how retailers carry on their business. It is, I think, certain that a better style of trading is prevailing amongst this important class of the community. The number of retailers who have capital, who buy cautiously, credit judiciously, collect sharply, and pay promptly is, I think, increasing. The class of retailers who lean helplessly on the wholesale houses that support them is, it is to be hoped, steadily diminishing. No retailer who has a spark of manliness about him, will continue in such a position as that a day longer than he can help. And the class of retailers who enter on the business in perfect ignorance of its requirements is diminishing too.

With retail customers carrying on business judiciously, the various lines of wholesale business can scarcely be otherwise than prosperous, unless, indeed, too many men proved into it. There are certainly some symptoms of this. There is but a limited field in Canada, and it will support just so many persons and no more. Capital must "sell" in the competitive struggle, and in time of trial the weak go to the wall. When capital is limited, the retail business is much more suitable for the employment of a man's energies, than the attempt to carry on a wholesale warehouse. There are exceptions to this rule, of course; for many prosperous men now amongst us had but small capital at the beginning. But the power of capital is telling more and more, and it is increasingly risky for men who have little of it to venture into wholesale business. There are undoubted symptoms of too many men rowding the field. The general complaint is that though the volume of business is larger than ever, the profit realized from it is increasingly smaller. I referred a year ago to

A LITTLE CLOUD

that seemed to be rising in the capital of the Province of Ontario, which might do damage when it burst. During the past year, making every allowance for the requirements of an increasing population, that cloud has certainly widened. The outward aspect of things reminds us forcibly of what took place in the Northwest five years ago. In Winnipeg, at that time, real estate offices crowded the main street of the city; so they do in Toronto now. At that time, in Winnipeg, an amount of land was taken up surrounding the city that spread for miles over the prairie. We find the same symptom in Toronto. Farms near the city have been laid out in building lots to an extent sufficient for a population of a million. Many of the speculations in Northwest lands during 1887 anticipated the progress of a whole generation. There appears to be something of the same sort at present. The mercantile community may not have been much affected so far. It is to be hoped they will continue to be unaffected. The bursting of the cloud, when it does come, will then do no considerable harm to business interests. Let me add a word with respect

TO THE OFFICERS OF THE BANK.

We have thirty-eight of these in superior positions, i. e., either as managers, assistant managers or inspectors. In addition to these, we have 182 officers occupying positions behind the counter as accountants, tellers, etc. The bank has in them a conscientious and faithful body of servants. The bonus lately distributed was on the principle that the officers should have some share in the prosperity of the bank. I took none of it for myself; but it was a pleasure to distribute it to others, and it would be an increasing pleasure, year by year, if our profits admitted of an annual distribution. I am sure it would gratify the stockholders as much as it would our officers; for the latter could not receive a bonus unless the profits were satisfactory to the shareholders themselves.

The President: Gentlemen, if you have any questions to ask, we will be happy to answer them.

After some remarks from Mr. Morrison,

Mr. John Crawford said: I would like to say before the report is adopted that I fully concur in the tribute paid by the General Manager to the memory of the late Mr. Smithers, President of the Bank of Montreal. The tribute was well earned, and I believe the shareholders of every bank in the Dominion, as well as the nation at large, will sympathize in the loss which the Bank of Montreal has sustained in the death of Mr. Smithers. With regard to the affairs of the Merchants' Bank, the General Manager has left very little to say. His remarks convey to me the idea that he had great breadth of statesmanlike views, and that he took a very correct perspective view of the commercial and financial situation of the country. I think it is very advantageous for the Dominion at large to have these forecasts made by such experienced financial men as our General Manager. But I venture to think that it is a poor compliment to the directors and to the general manager to adopt the report sub silentio without even the semblance of interest or discussion. A simple yes or no can have but one tendency, and that is to produce apathy and indifference on the part of the management. Hence, I think it is an evidence of proper feeling when the shareholders are prepared to join in the discussion in the business placed before them. With regard to the general result, I may say that I am sensible of the satisfactory improvement that has been made, as compared with last year. Ten and three-quarters per cent., as compared with nine, or equivalent to a gain of $100,000, is a very good beginning, and if we continue long enough in that direction there is little doubt but that it will lead us upward. At what time that golden epoch will again be touched, when in 1883 you reached 14 per cent. of a net profit, I will leave each shareholder to draw his own conclusion. Another thing to which I would like to refer is the fact that the paid-up capital of $3,799,200 is an odd and ungracious number, and if you are not infringing upon your charter, I would like to see you issue at par enough more shares to bring the capital of the bank up to the even six millions. Again, your Rest stands to-day at $1,700,000, or 50 per cent. of the capital; in three years more, at the same ratio of increase, it will be $2,300,000, or 40 per cent., and in six years it will be $3,000,000, or 50 per cent. of the capital. In that case I think the bank might inaugurate in the year 1890 a 4 per cent. semi-annual dividend, instead of the present 3½ per cent., and in 1893 a 5 per cent. semi-annual dividend, or what would be preferable a quarterly dividend of 2½ per cent. However, Mr. President, it is very easy to draw out a program on paper, but not so easy to carry it out, and I have no doubt that with the far-sightedness of the board, backed up by our able general manager, everything possible will be done for the benefit of the shareholders generally. In conclusion, I am quite sure that I voice the sentiments of every shareholder present when I say that I am sorry that the board have seen fit to renew their engagement with our general manager, and I am also glad to hear that there has been some distribution of profits made amongst the employes of the bank. I think it is especially fitting this jubilee year.

Mr. Hague: With reference to the capital standing at the odd figures, alluded to by Mr. Crawford, I may say that it is now more than ten years ago that power was taken to increase the capital to $6,000,000, a power which privilege was granted by Parliament. Subscriptions were entered upon in furtherance of that idea, but the whole of the nine millions was never subscribed. It stopped at an odd point. Then Parliament, as you remember, about nine years ago, reduced both the authorized and subscribed capital by one-third. Since then the capital account has not been touched, except in the way of getting unpaid subscriptions paid up. The sum of $5,799,200, therefore, represents the actual money subscribed, and it is all paid up. The reduction in the authorized capital was from nine to six millions, and in the amount subscribed from an odd sum below six millions. I would question the propriety of allotting the balance at par. That course would disturb the relation between capital and rest. The issue of this odd balance of stock is a matter for the directors or shareholders, but my judgment would be to wait till the stock touches higher figures.

Mr. Crawford: Will the charter allow the capital to be paid up to the full amount of six millions?

Mr. Hague: Yes.

Mr. Crawford: I am glad to hear that. The shareholders could all receive pro rata the same advantage, and it is just possible that some of the shareholders will decline to have it. In that case I would be happy to take it.

Mr. Hague: At par you would, no doubt.

Mr. Crawford: I hope that the capital will yet be paid up to the even six millions.

The resolution to adopt the report was carried unanimously.

THANKS TO THE PRESIDENT AND DIRECTORS.

Mr. Thomas Workman moved:

"That the thanks of the shareholders are due and are hereby tendered to the president, vice-president and the directors for the manner in which they have conducted the institution during the past year."

He said: The printed statement which I hold in my hand, I think, fully justifies this resolution, and I am sure everyone present will agree with it. The result of the year's business is very satisfactory, indeed, in fact, it is much better than I had anticipated, but it only shows how careful has been the supervision of the bank's affairs by the directors and General Manager. With reference to Mr. Crawford's remarks about the stockholders, I may say that I should like very much, indeed, to see more of the shareholders attend these meetings and express their feelings in reference to the management of the bank generally. It would be an encouragement to both the directors and General Manager. The profits appear to be very large, indeed, considering the amount of money you have had to put to the bank. It is very difficult at times to find profitable investment for some twenty millions of dollars. I know it is difficult to find interest for even smaller sums. I presume you have been using your money in New York and other central points, which has added very much to your profits. Gentlemen, I will not detain you longer, but will simply content myself with moving this resolution.

Mr. F. S. Lyman seconded the resolution, which was carried unanimously.

THANKS TO THE GENERAL MANAGER.

Mr. John Crawford moved:

"That the thanks of the stockholders are due and are hereby tendered to the general manager for his efficient management during the year."

He said: It gives me extreme pleasure to be afforded an opportunity of moving this resolution, and I do not think any words of mine would emphasize the general satisfaction felt by the shareholders at the result of the year's business. Although only the medium through which this vote of thanks is conveyed to the general manager, I can assure him that, as far as I understand the feelings of the shareholders, they have not been forgetful of the enormous responsibilities devolving upon him in the responsible position which he holds in this institution, and I am satisfied that the shareholders will give their hearty endorsation to this resolution.

Mr. J. P. Cleghorn seconded the resolution, which was carried unanimously.

Mr. Hague: I am much obliged to you, gentlemen, for your resolution. With regard to the future, referred to by Mr. Crawford, he has drawn