

**CANADIAN BANKERS' ASSOCIATION.****ANNUAL MEETING—PRESIDENT'S ADDRESS—ELECTION OF OFFICERS.**

The annual meeting of the Bankers' Association was held at Toronto last week. At the morning session the election of officers took place resulting as follows:

Honorary presidents, Lord Strathcona and Mr. George Hague; president, second term, Mr. E. S. Clouston, general manager Bank of Montreal; vice-presidents, Messrs. H. Stikeman, general manager Bank of British North America; Duncan Coulson, Bank of Toronto; M. J. A. Prendergast, Bank of Hochelaga; George Burn, Bank of Ottawa; the Executive Council is composed of Messrs. B. E. Walker, general manager Canadian Bank of Commerce; Thomas Fyshe, Merchants Bank of Canada; D. R. Wilkie, Imperial Bank; T. G. Brough, Dominion Bank; E. L. Pease, Royal Bank; T. McDougall, Quebec Bank; James Elliot, Molsons Bank; H. C. McLeod, Bank of Nova Scotia; James MacKinnon, Eastern Townships Bank; W. E. Stewart, Bank of New Brunswick; T. A. Lafrance, Banque Nationale.

A communication was received from the bankers in Winnipeg relative to the serious condition of the currency question owing to the vast movement of grain. They estimate the yield of wheat in Manitoba and the Territories at 64,000,000 bushels, of which 65 per cents. has been threshed. The total yield of wheat and coarse grains is estimated at 127,000,000. In Manitoba alone the acreage was 2,600,000, and there was a yield of 24 bushels to the acre.

A still greater item concerns the increased demand for elevator space. Because of this demand the elevator space in Manitoba and the Northwest Territories has been increased by a capacity of 4,000,000 bushels, making the total elevator capacity now 25,000,000, including lake terminals.

Dealing with the absorbing question of immigration, the report declares that 67,000 new citizens have thus been added to Manitoba alone, divided among nationalities as follows, in round numbers: Canadians, 12,000; returning Canadians, 2,000; Americans, 8,900; English, 5,300; Germans, 2,500; Scotch, 2,800; Russians, 6,300; Irish, 1,300; Swedish, 2,000; Norwegian, 2,500.

**PRESIDENT CLOUSTON'S ADDRESS.**

The address of Mr. E. S. Clouston, as re-elected President, opened with reference to the movement of grain. He then went on to give salient facts relating to the business of the banks:—

"The assets of Canadian banks now total the large sum of \$610,928,000. A year ago they were \$553,900,000. Ten years ago they were only \$291,600,000. We have more than doubled the volume of our business in a single decade. That the last twelve months have been profitable to us, the fact that surplus earnings, the Rest Account has risen from \$35,503,000 to \$41,130,000, bears convincing witness. Note circulation is a measure of the activity of a country's business. Ten years ago a bank circula-

tion of \$34,000,000 was found adequate for the requirements of Canadian trade; a year ago \$56,000,000 sufficed, while to-day the margin available on the amount the banks are authorized to circulate must be exceedingly small. Two other items may be cited. The deposits of the public in the banks, which in 1892 were \$161,000,000 are now 359,800,000, a ratio of increase truly marvellous when contrasted with the number and comparatively slow increase of our population. Commercial loans have risen to \$303,500,000 from \$286,000,000 a year ago, and are \$110,000,000 larger than 1891. At the present time the Canadian people have on deposit in our banks and loan companies no less than \$460,000,000, or about \$80 per head of population, fairly substantial token of thrift and well-being.

"Our foreign trade amounted to \$414,000,000 as compared with \$377,000,000 the preceding year, and \$230,000,000 ten years before. Agricultural and dairy products must ever constitute the largest part of our export trade, but it is significant of our growing industrial importance that in the year recently ended we sold to other countries manufactures to the extent of \$18,500,000, or about \$2,500,000 more than in the preceding twelve months. If our great natural advantages in the shape of magnificent water power, situated within easy reach of ocean transportation, are utilized to their fullest capacity, these figures can be increased to an enormous extent, and there is little doubt that the future wealth and greatness of Canada may be enhanced largely by a judicious development of our manufacturing resources.

"As the banks have pretty nearly reached their limit of note circulation as fixed by the Bank Act, namely the paid-up capital, the question was whether some modification of the Act should not be asked for. He, however, deprecated any radical change in the fundamental principles of our currency system, as any legislation looking to the provision of easy facilities for inflating the currency will weaken the stability of the banks and tend to impair the system which has been established. It has been suggested that banks be permitted to issue circulation to the extent of their paid-up capital and their reserve fund or a portion of it. What guarantee is there that a reserve fund is a concrete asset? A weak management may exaggerate it, and we know assets have shrunk to a startling extent when subject to the appraisal of new management. There is also the loss of the double liability which attaches to capital stock. Banking legislation is not framed for the circumstances of the moment, but is supposed to be founded on fixed and sound principles of finance, applicable to periods of stress and strain, as well as prosperity. To base circulation on a rest account would be a departure, and would weaken a currency system which we consider one of the safest and most elastic systems in the world. Viewing the fact that the banking capital during the last twenty five years has practically remained stationary, the remedy seems simple. If we do not choose to adopt it, then it should always be possible in emergencies to obtain notes from the government by deposit of gold or Dominion notes. But this does away with the elasticity of the present currency system, and if indulged in to any great extent will