THE TORONTO WORLD

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FRIDAY MORNING, JUNE 21, 1889.

Mr. Minkler's Park Scheme.

Mr. Minkler's scheme to extend the Horticultural Gardens out to Jarvis-street is a good one, but he need not hope to wipe out the Collegiate Institute for the present. If he proposes to do that on him will be the onus of showing that a better site can be got for less money. Furthermore he must remember that if the grounds of the institute are taken, the city will have to pay for the same even though it is civic property.

But Mr. Minkler's excellent suggestion can easily be realized in a modified way, and he ought to be supported by all the residents of Jarvis-street in bringing it about. It is this: The Jarvis-street frontage between Gerrard and Carlton-streets is made up of the Baptist Church, then six private houses, then the Collegiate Institute, then Old St. Andrew's Church. These six private houses take up 216 feet frontage and have a uniform depth of 200 feet, touching the Gardens. Why not appropriate these six houses at a cost of less than $60,000 (and our valuation is a sound one) and lay it out as a Jarvis-street entrance to the Gardens, say a driveway of 70 feet and a lawn of about 70 feet on each side of it? Such an entrance would be an immense improvement to the Gardens, certainly a great ornament to Jarvis-street, and one the carrying out of which the property owners thereabout ought to put through on the local improvement plan. Improvements of this kind pay the owners near by fifty and a hundred per cent. Let Mr. Minkler start the agitation on this modified proposal.

A Remarkable Railway in Prospect.

The next new railway to astonish the world is the one intended to open up Central Africa. It is to run from Stanley Pool to the lower falls of the Congo, and may fairly be expected to work a revolution in that region. So says The New York Herald, which knows all about Africa, also about Stanley. The length of road to be built is 262 miles, and the expected cost is five million dollars, of which all but $150,000 has already been subscribed. This is beginning on the western side of the African continent, but The Herald is confident that it will not be long ere there be a railway opening in the eastern part of the continant too, say from some point on the east coast to touch the Victoria Nyanza. To some people this may appear like "stretching," but after all it is quite within probabilities as they are now.

It is likely enough that the opening up of Central Africa by railways will prove a fatal blow to the slave trade, now kept going by the Arabs. With the coming in of railways, the peculiar conditions of barbarism which make the blacks of Central Africa easy victims to their cruel oppressors would largely disappear. Such European enterprise as might follow would not be wholly of a Christian missionary character; but for the poor blacks it would be a considerable improvement on the treatment they get from the Arabs. There is something better in prospect for them.

Extend Victoria-street at both ends, pave it and keep the street car tracks off it for 20 years.

Pave Adelaide-street from Jarvis to its western end and keep the street car tracks off it.

Do the same with Bay and Terauley-streets. They will if so treated become the great thoroughfares for vehicles in the city, and as a result the property owners in these streets will find their values on these streets double in a year. The cost under the local improvement law will be light compared with the advance.

A score of live men who read this suggestion as made in yesterday's World endorsed it as the best proposal yet put forth, and we therefore feel justified in again pressing the matter on the attention of the public.

NOTES FROM OSGOODE HALL.

Victoria University Case—Judgments—The Fall Assizes and Chancery Sittings.

The argument in Cobourg v. Victoria University was concluded yesterday, and judgment reserved.

The Court of Queen's Bench will deliver judgment on Saturday next in 24 cases. Among them is Leadenhame Arbitration and the the Queen v. R. G. I. Barnett.

The Court of Common Pleas will deliver judgments on June 29.

The Chancery autumn sittings and Assize circuits have been fixed as follows:

CHANCERY AUTUMN SITTINGS.

THE HON. MR. JUSTICE PROUDFOOT,
Toronto—Monday, Nov. 4.

THE HON. THE CHANCELLOR.
Ottawa—Monday, Oct. 28.
Kingston—Monday, Nov. 4.
Belleville—Friday, Nov. 8.
Cobourg—Thursday, Nov. 14.
Cornwall—Monday, Nov. 18.
Brockville—Friday, Nov. 22.

THE HON. MR. JUSTICE PROUDFOOT,
Lindsay—Monday, Sept. 23.
Peterboro—Friday, Sept. 27.
Woodstock—Thursday, Oct. 3.
Stratford—Thursday, Oct. 10.
Whitby—Wednesday, Oct. 16.
Barrie—Tuesday, Oct. 22.

THE HON. MR. JUSTICE FERGUSON.
St. Catharines—Tuesday, Sept. 17.
Guelph—Monday, Sept. 23.
Owen Sound—Monday, Sept. 30.
Brantford—Monday, Oct. 7.
Simcoe—Monday, Oct. 21.
Hamilton—Monday, Oct. 30.

THE HON. MR. JUSTICE ROBERTSON.
Goderich—Thursday, Sept. 19.
Walkerton—Monday, Sept. 30.
London—Wednesday, Oct. 9.
Chatham—Thursday, Oct. 24.
Sandwich—Thursday, Oct. 31.
Sarnia—Thursday, Nov. 7.
St. Thomas—Thursday, Nov. 14.
Dated 19th June, 1889.

AUTUMN CIRCUIT, 1889.

The Courts of Oyer and Terminer and General Jail Delivery and of Assize and Nisi Prius in and for the several Counties of the Province of Ontario will be held as follows:

THE HON. MR. JUSTICE FALCONBRIDGE.
Toronto—Civil Court, Tuesday, Sept. 10.
Toronto—Criminal Court, Monday, Oct. 7.
St. Catharines—Monday, Oct. 21.
Orangeville—Monday, Oct. 28.
Milton—Monday, Nov. 4.
Brampton—Monday, Nov. 11.

THE HON. CHIEF JUSTICE ARMOUR.
L'Orignal—Monday, Sept. 9.
Ottawa—Thursday, Sept. 12.
Pembroke—Tuesday, Sept. 24.
Perth—Monday, Sept. 30.
Peterboro—Tuesday, Oct. 8.
Lindsay—Tuesday, Oct. 15.
Barrie—Tuesday, Oct. 22.
Owen Sound—Tuesday, Nov. 5.

THE HON. MR. JUSTICE ROSE.
London—Monday, Sept. 9.
Chatham—Monday, Sept. 23.
St. Thomas—Monday, Sept. 30.
Sandwich—Monday, Oct. 8.
Sarnia—Monday, Oct. 14.
Goderich—Tuesday, Oct. 22.
Walkerton—Monday, Oct. 28.
Woodstock—Monday, Nov. 4.

THE HON. MR. JUSTICE MACMAHON.
Whitby—Monday, Sept. 9.
Picton—Monday, Sept. 16.
Napanee—Thursday, Sept. 19.
Belleville—Monday, Sept. 23.
Kingston—Monday, Oct. 7.
Cornwall—Monday, Oct. 14.
Brockville—Monday, Oct. 21.
Cobourg—Monday, Oct. 28.

THE HON. MR. JUSTICE STREET.
Welland—Tuesday, Sept. 10.
Stratford—Monday, Sept. 16.
Simcoe—Monday, Sept. 23.
Hamilton—Monday, Sept. 30.
Cayuga—Tuesday, Oct. 1.
Berlin—Monday, Oct. 7.
Guelph—Monday, Oct. 21.
Brantford—Monday, Nov. 4.

Merchants Bank of Canada.

Annual Meeting of the Shareholders on Wednesday.

THE GENERAL MANAGER

Gives a Financial and Commercial Review of the Country—The Future Outlook.

The annual meeting of the Stockholders of the Merchants Bank of Canada was held in the Board room of the institution at noon on Wednesday last, when there were present Messrs. Andrew Allan (president), Robt. Anderson (vice-president), Jonathan Hodgson, H. Montagu Allan, John Cassels, Jas. E. Dawes, John Duncan, Hector Mackenzie, Henry Yates (Brantford), T. D. Hood, Michael Burke, John H. R. Molson, James Williamson, John Morrison, J. Alex. Strathy, D. McCarthy (Sorel), J. E. Cleghorn, Robt. Benny, J. Y. Gilmour, Murdock Mackenzie, E. S. Lyman, John T. Molson, James F. Smith (Toronto), John Curran, John Dunlop, A. C. Clark and E. Lichtenheim.

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

The President asked Mr. John Gault to act as secretary.

The Secretary having read the advertisement calling the meeting,

The President submitted the following

ANNUAL REPORT OF THE DIRECTORS.

The Directors of the Merchants Bank of Canada beg to place before the Stockholders the result of the business for the past year:

The net profits of the year, after payment of charges and all interest due and making provision for bad and doubtful debts, have amounted to	$617,859 11
Balance from last year	8,070 19
	$625,429 30
This has been disposed of as follows:	
Dividends Nos. 40 and 41, at the rate of 7 per cent	$405,944 00
Added to the "Rest"	215,000 00
Carried forward to Profit and Loss account of next year	5,484 30
	$625,428 30

The business of the Bank has been well maintained at all points, and the demand for money for mercantile purposes has been steadily and continually increasing. The discounts of the Bank are considerably in excess of the amount at which they stood last year.

Each department of the business of the Bank has called for the exercise of constant vigilance on the part of the Board and the administrative officers of the Bank.

They are pleased to report that the failures amongst the circle of the Bank's numerous connections have been few in number, while none of them have entailed serious loss. It is largely in consequence of this that the Bank has been able, after providing for its usual seven per cent. dividend to the stockholders, to add the sum of $215,000 to the "rest."

Competition has been increasingly severe and the tendency of profits has been to diminish.

On a larger volume of transactions the Bank has realized a decreasing percentage of profit. The directors, however, have the satisfaction of considering that they are doing business with a large class of sound and solvent men of business and assisting them to carry on the legitimate trade of the country.

The steady growth of the "rest" will no doubt be a matter of satisfaction to the stockholders. The policy of the Board in respect to the building up of this important fund continues as before. The "rest" now amounts to nearly 37 per cent. of the capital.

The officers of the Bank have discharged their duties with zeal and fidelity, and to the entire satisfaction of the Board.

The whole respectfully submitted.

(Signed) ANDREW ALLAN,
President.

THE MERCHANTS BANK OF CANADA

STATEMENT OF ASSETS AND LIABILITIES, 31ST MAY, 1889.

Liabilities.

1.—To the Public:		
Notes in circulation		$ 2,563,645 00
Deposits at interest (including interest accrued to date)	$ 6,366,456 41	
Deposits not bearing interest	3,025,556 90	
		$ 9,391,998 31
Balances due Canadian banks keeping deposit accounts with Merchants Bank of Canada		550,748 18
Balances due Canadian banks in daily exchanges		595 54
Balances due to agents in Great Britain		383,411 01
Dividend No. 41		202,972 00
Dividends unclaimed		6,428 87
		$13,101,793 91
2.—To the Stockholders:		
Capital paid up		5,799,200 00
Rest		2,135,000 00
Contingent account		93,460 00
Balance of Profit and Loss account carried to next year		5,484 30
		$21,134,938 21

Assets.

Gold and silver coin on hand		$ 687,209 86
Dominion notes		647,211 00
Notes and cheques of other Canadian banks		569,274 54
Balances due by other Canadian banks in daily exchanges		58,917 38
Balances due by banks and agents in the United States		406,091 22
Dominion Government bonds		968,997 33
Railway and municipal debentures		104,650 00
Call and short loans on bonds and stocks		1,174,049 00
		$ 3,997,170 33
Time loans on bonds and stocks	$ 161,220 00	
Other loans and discounts	16,012,909 85	
Loans and discounts overdue, and not specially secured (loss provided for in contingent account)	106,313 09	
Loans and discounts overdue, secured	25,438 74	
		16,305,881 68
Mortgages, bonds and other securities, the property of the bank		187,652 35
Real estate		167,130 72
Bank premises and furniture		446,773 28
Other assets		36,329 85
		$21,134,938 21

G. HAGUE,
General Manager.

The President then moved, seconded by the Vice-President, 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 before putting this motion to the meeting said: We will be happy to hear any remarks from any shareholder present and to answer any questions which may be asked.

Mr. John Morrison: In a bill discounted on 30th April, 1889, due at three months from date, is the total amount of discount included in return for the past year, or is only the amount of discount for one month included, in return for year ending 31st May, 1889?

Mr. George Hague: The whole amount of discount is included.

Mr. H. Yates of Brantford made some remarks.

The General Manager stated that he would reply to Mr. Yates after making the remarks he had prepared as to the general business. He then went on as follows:

Mr. Hague's Address.

Mr. President: In supplementing the report of the Board of Directors by a few remarks, I will commence by stating that in many respects the course of events during the past year was disappointing.

A year ago the outlook for our grain crops was satisfactory. As is generally the case, many engagements were made on the strength of this outlook, which ultimately resulted in embarrassment. For, as the summer proceeded we had in some parts of Ontario a severe drought, while in certain districts of Quebec we had such continuous rains that crops could not ripen.

The effect of this was to diminish by millions of dollars the actual value of the productions of the year and our power of paying for goods purchased abroad.

A general impoverishment of the farming populations in these districts was the result, with the usual consequence of diminished purchases, non-payment of debts, renewal of notes instead of payment, and a consequent increase in the demand for money. This last is the final outcome of the diminution of the value of our products. The whole finally results in increased loans and discounts, with, in some cases, increased liability to embarrassment.

There is a certain amount of indebtedness which every individual, firm or corporation can carry with safety. If that line is passed a condition of danger supervenes, and if prompt remedies are not applied suspension and bankruptcy are the inevitable result.

In some districts of Ontario, however, crops were unusually good, and particularly in the fine agricultural region bordering on the western division of the Grand Trunk Railway. The result was the exact opposite of all that has been before stated. Farmers had a abundance of money, notes were promptly taken up, indebtedness reduced and a general air of prosperity pervaded the community.

But the severest disappointment has been felt in Manitoba. There never were such fine crops on the ground as there were in Manitoba this time last year; but when the period of harvesting came on the weather proved unfavorable. In some districts frost, and in others a kind of blight, destroyed considerable portions of the crop and largely reduced the quantity available for export. The increased price obtained, however, somewhat compensated for this heavy drawback. And frost did not prevail in every locality. Some districts escaped it entirely, and many farmers were enabled to realize largely on their crops. This has thus place themselves in a splendid position.

The amount of money realized by the farmers of Manitoba did not therefore fall much short of what was realized the previous year. The advantage to all concerned in the development of that country under the following favorable conditions is very great.

The area of cultivated land in the Northwest is constantly increasing, and careful observations are being made with regard to the manner in which damage from frost may be obviated, and the most return from the land obtained. Cattle and dairy interests are also having increased attention and with good results. Railway development there is going on at a remarkable rate, and in a few years we may see the Northwest as thoroughly gridironed with railways as the older parts of Canada are at present.

Of the cattle and dairy products of the older provinces of the Dominion, a good report can be made. We had a splendid production of cheese, which we sent abroad and realized good prices for. Canada is rapidly becoming the best known cheese producing country in the world.

Our export of live cattle went on steadily all last summer, but shippers realized little by the business, and farmers got low prices. In sending cattle to England we shall have to meet competition from English and Continental graziers. The trade, however, is well established, and it will be for the farmer and the cattle dealer in all parts of the country to produce animals of a class that will take the best price of the English market, and give Canada as good a name for cattle as we have for cheese.

Our great lumber and timber interest was not prosperous last year. The production was large, but the markets were disappointing, and the results unsatisfactory. This year the general prospects are better, especially for heavy timber. The great increase in English trade prosperity is directly reflected back in an improved demand for our forest productions.

It has been in such conditions as these with regard to what the country produces from its soil that our merchants and manufacturers have carried on business. It goes without saying that the bulk of them have not had a satisfactory year. Great stocks of goods were held over from year ago, which have been disposed of at unremunerative prices, and much forcing and slaughtering have characterized the year's business, especially in the drygoods trade. The purchasing power of the country has been overestimated. The country did not want the quantity of what has been brought into it, and produced within it, and if unwilling purchasers have been persuaded or almost driven to purchase, the result has simply been an increase of poor accounts due to the wholesale merchants, and unsold goods on the shelves of storekeepers. I venture to say that if the balance sheets made out since last Christmas, not one in five has shown a reasonable return for the business done.

And what has characterized the business of dealers in merchandise has to a large extent characterized that of manufacturing. There have been exceptions no doubt. But, taken as a whole, our manufacturing industries, which have been so enormously developed of late, realized last year a poor return on their capital. Our shipping industries have perhaps fared better. We sometimes boast of being a great shipping country and plume ourselves on the fact that we rank about fourth among the maritime nations of the world.

Our shipowners and shipping companies on lake and ocean are threatened with ruin, this business has been rather more remunerative this year than it sometimes is.

Our collieries have about held their own. I do not refer particularly to our fisheries, which have been a prosperous year, for the reason that this Bank has no branches in the Maritime Provinces.

The Bank has had to conduct its business during the year under the above named circumstances. We have had to lend our money (and the amounts you will remember, are in millions) to people engaged in this variety of industries. You may believe me when I say that the year has been one of considerable anxiety—as its various developments were watched sometimes hopes and sometimes fears alternated.

A year ago I made a careful analysis of the loans and advances of every description we had out, and classified the names according to stability and character. I was glad to notice the proportion we had of customers whose stability was undoubted. But no bank has a monopoly of this first-class business. In a new country like this, the majority of traders and manufacturers are those with a more limited capital, who are undertaking risks with these that the judgment of a banker has to be most carefully exercised.

Especially is care needed when symptoms arise which show that things are not going well. The banker's treatment of a merchant at such a time may either run him or reinstate him. Nothing tends more effectually to ruin a customer than an unlimited supply of funds and the supporting him in overtrading. A banker with bad judgment, whose only anxiety it is to discount as many bills as possible, is a trader's worst enemy. Many a man who is prosperous to-day owes his position to the fact that he was checked in time by a prudent banker who, while imposing a firm check upon foolish credit operations, was ready with judicious assistance when danger transpired. It is, I know, much easier to give advice than to take it. But the experience of bankers generally qualifies them to be sound judges, and if merchants and business men take counsel with their bankers frequently, receiving hints from them in good part, and acting upon them, I venture to say in a majority of cases the result will be beneficial.

It has been our endeavor to train up a staff of well informed men at our branches who are familiar with the business of the country, and are fitted to give good counsel to our customers. It is largely on their reports that the operations of the bank are carried on. Their opinions are, of course, constantly under the influence of judgment exercised from headquarters, for we make it a point here to keep ourselves acquainted with the position and character of the customers of the bank at all points. This is for mutual advantage, I am certain.

The directors state that few failures have occurred amongst our customers. The inference may naturally be drawn that our customers as a whole are of a sound and reliable sort, and so they are. Many of them have been made such by judicious help from the bank. From small beginnings many have developed into the possession of large capital and extended trade. We would not take more credit than is due, but the credit of appreciating who are worthy of support; of assisting freely when assistance is deserved; of checking unfavorable symptoms at an early stage, and giving good advice at all times; for these things we do take credit. How much they have to do with the prosperity of a man of business you can judge.

The question of failures is always a vital one for banks doing business in Canada. It is by the number and character of the failures amongst a bank's customers that the quality of its business must be judged. How to prevent failures or keep them within narrow limit is therefore a very practical and sometimes a very pressing question both for bankers and merchants. The great drawback of our modern trading system is the loss by bad debts. The proportion is unreasonably large in Canada. Men seldom lose much by the mere buying and selling of imported or manufactured goods. But losses by bad debts often eat away the profit made by a whole year's trading. For one failure brings about another, and that another still. So the circle of mischief goes on widening until it has spent itself.

A bad condition of general trade, caused by bad crops or bad markets abroad, or a low range of prices, ought not to bring about as many failures as it does. If all men had capital requisite for the business done, and exercised due caution in carrying it on, they could go through the most difficult times without calling their creditors together.

Men should be cautious enough always to insure, and certainly every man is bound in common honesty to insure who is in debt for insurable property. He would not fail in that case if his premises were burned down. Fire and bankruptcy are the inevitable results.

In some districts of Ontario, however, crops were unusually good, and particularly in the fine agricultural region bordering on the western division of the Grand Trunk Railway. The result was the exact opposite of all that has been before stated. Farmers had a abundance of money, notes were promptly taken up, indebtedness reduced and a general air of prosperity pervaded the community.

But the severest disappointment has been felt in Manitoba. There never were such fine crops on the ground as there were in Manitoba this time last year; but when the period of harvesting came on the weather proved unfavorable. In some districts frost, and in others a kind of blight, destroyed considerable portions of the crop and largely reduced the quantity available for export. The increased price obtained, however, somewhat compensated for this heavy drawback. And frost did not prevail in every locality. Some districts escaped it entirely, and many farmers were enabled to realize largely on their crops. This has thus place themselves in a splendid position.

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