

ness unless they have the latest appliances in machinery, the most economical appliances of power, the most skilful management in production, the best adaptations of labor, and the best facilities of transportation and communication. Along with these it is becoming more and more essential that a manufacturer shall have his specialties, that is, that he should produce some goods which are his own, known by his name, which will be such a guarantee of goodness that the name will sell the goods, as with "Rodgers' cutlery, or "Horrocks' sheetings. When a manufacturer attains a position like this, and has his arrangements to keep it, he is a long way toward permanent success and wealth. In some branches of manufacture and production we have attained this position. Certain brands of flour are well known in foreign countries, as well as certain brands of cheese, and even of deals and timber. A customer of our own has established the reputation of his brand of eggs in the English markets, and enquiries are made for it by dealers there. We are exporting furniture to South Africa, agricultural implements and other articles to Australia, butter to Japan, and leather in large quantities to England; and if attention is only paid to quality, to good make-up, and to the exact needs of the market, there is no reason why all this should not develop very largely. In such matters as butter or apples, it is not sufficient to have simply a good article, it must be well and tastefully packed, according to the fancies of the market it is sent to, or they can never establish themselves in general favor.

Our apple exports of last year were frightfully injured by want of care in packing, and the trade injured to an extent that it will take considerable time to recover from. Our orchards are well known to be among the best in the world, and so are our vineyards and peach gardens. I mention this for the benefit of any who may happen to read these words to dispel the impression that Canada is a land of almost perpetual snow. I do not think we are at all obliged to the enterprising English poet who lately sung our praises as the "Lady of Snows." We have snows, it is true, and exceedingly useful they are as fertilizing the ground for the spring and summer, and enabling us to produce such fine peaches, grapes, melons and apples as we do. While on this subject I may venture to say that much harm has been done to the country by the multiplication of snow pictures. We have had altogether too many of this sort. It would, I think, be a profitable venture if an illustrated book were published, showing what Canada is in summer.

Our fruit industry is increasing every year, and is well worthy of all the care and skill expended upon it. Properly pursued, it is, perhaps, the most profitable branch that arises from the cultivation of the soil.

MINING.

The coal mining industries of Nova Scotia and New Brunswick have yielded very fair returns during the year. The application of skill, science, and the latest improvements in machinery, have had noticeable results in this important branch.

But Canada has had during the last year or two a most remarkable development in gold mining in British Columbia. Gold mining there is no new industry. The mines of the northern parts of the province at one time excited as much attention as those of Australia or California, but the results did not correspond. The newer developments are in a region almost unheard of until within the last few years. The results are far more promising than anything that has been known in that province before, and the developments continue. The exports both of gold and other metals have been very large, running up into the millions. We have not thought it desirable to extend our system of branches to the Pacific coast, owing to its great distance and to the difficulty of exercising proper control over offices so remote from our centre. We share, of course, in the developments of this province indirectly through the medium of our customers who trade with it. It is to be much regretted that the rapid development of gold mining has led to such an enormous multiplication of schemes, ostensibly for gold mining, but which have very little of an industrial character about them. Large numbers of them are the merest frothy bubbles of a speculative spirit, and will only result in loss to those who have been unwise enough to venture their money in them. There is generally a good deal of this kind of speculative excitement about all new mining enter-

prises. In the course of a year or two matters will settle down to a solid basis of business founded on production, when all parties will know where they really stand.

THE IMPORTING TRADE

of the country in its various branches has, on the whole, experienced another unfavorable year.

In the great dry goods branch the pressure of competition is more and more keenly felt. English houses are pushing their trade among the retailers of Canada, and the great departmental stores are also pushing their way amongst the consuming class—thus cutting off the demand upon which storekeepers depended for subsistence. All this has led to diminished profits, while the expenses of carrying on business have rather increased than otherwise.

It seems more and more necessary to apply trained skill, experience, energy and economy to this class of business, otherwise the making of profit is hopeless. In addition to this, the keeping stocks down with a firm hand, and the rigid supervision of credits, needs to be constantly maintained to prevent expenses and losses amounting to such figures as to sweep away all profits or more. It is possible also that houses in this trade may develop lines of specialties upon which the profit will be larger and returns more certain.

The importers of groceries, hardware and other important articles carry on their business under different conditions, but in their cases also the same general rules are essential to success, viz., to meet increasing competition by increasing energy and attention to business, increased economy in expenses, keeping stock low, buying in the best markets and watching credits with a vigilant eye from day to day. In addition to all that has been said, it is apparent that the necessity of a considerable capital is pressing upon traders with more and more force every year. Firms, and younger firms especially, require to be most jealous of the decrease of their capital by the retirement of partners. Many a house has been crippled from this cause, even when payments are spread over a term of years. It sometimes happens that those years are just such that diminution of capital cannot be afforded without serious injury to the business. Arrangements should generally be made that in case of death the capital to be drawn out may be replaced by life insurance. The danger arising from the withdrawal of capital is avoided by business being done on the joint stock principle. Where a manufacturing concern has a large part of its capital in the shape of fixed property, plant and machinery, the withdrawal of capital even to a moderate extent might bring the whole business to a stand. In such cases, to do business as a limited company is almost a necessity. There is, of course, a certain danger that the business may not be as sharply supervised and economically conducted in the shape of a joint stock company as when partners have at stake all they are worth in the world. This can be guarded against, so far as banks are concerned, by the good and wholesome rule that advances to a joint stock company, where the great bulk of the stock is held by one person, as is sometimes the case, shall be guaranteed by that person. But a system of life insurance should always be employed when practicable to guard against the death of partners in private firms and the possible embarrassment to remaining partners. It goes without saying that any person whose means largely consist of his capital in a partnership will frame his will in such a manner as to guard against embarrassment in case of death. There cannot be too many safeguards thrown around capital employed in business. It is becoming more and more of the essence of stability and success that capital shall be of considerable amount and continuous.

GENERAL PROGRESS.

As we are all celebrating the sixtieth anniversary of our good Queen's reign, it may be well to compare the condition of banking in Canada as it was at her accession with its condition as at present.

Eighteen hundred and thirty-seven was a year to be remembered in Canada as the time of the Rebellion.

But previously to that, and for some time, banking had received a considerable development.

The capital of all the banks, comprising four in this Province, three in Upper Canada, as well as those of the Maritime Provinces, was, in 1837, \$6,100,000. The capital at pre-

sent is \$61,903,524. And the Rest or surplus funds at that time were a mere nothing. Now they amount to \$26,780,000.

The deposits of the banks sixty years ago were \$2,560,000 in all. They are at present \$206,652,000.

The circulation was \$3,600,000 in all. It is, at present, \$30,814,923, in addition to which the Government circulation is \$7,516,583.

The loans and discounts were \$11,520,000. They are at present \$217,158,000.

The most noticeable feature here is the extraordinarily small amount of the deposits, which in all the banks of the country amounted to the insignificant sum of \$2,500,000, against \$206,000,000 of bank deposits now, to which should be added \$82,000,000 more for deposits with the Government and other savings banks and loan companies, making \$288,000,000 in 1897, against \$2,500,000 at Her Majesty's accession. For at that time all the deposits in the country were in the banks.

Now, when you consider, in addition to all this, what a prodigious amount of wealth has been created in the shape of farms and farm-houses, mills, factories, dwellings, stores, and warehouses in the rural and urban districts; the building up of hundreds of towns, villages and cities that were absolutely non-existent at Her Majesty's accession, we certainly must admit that of the prosperity and expansion that have been the lot of the empire during the beneficent years of Her Majesty's reign, the Dominion of Canada has had her full share. The expansion of deposits alone is the most striking feature, and I venture to say there are very few constituencies 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.

I may, perhaps, be pardoned for concluding with a word or two in reference to myself. I have served the stockholders of this institution for a little more than twenty years. You well know its condition twenty years ago, and also the depressed condition of the country. During the first three years difficulties had to be contended with, which, time and again, I really thought would be unsurmountable. I remember telling the late Sir Hugh Allan, on one occasion, that it required a much stronger man than I to deal with such terrible complications as prevailed during those years. Again and again I was almost in despair. Of course, I said nothing about all this, but maintained a cheerful front in the worst of times, and persevered with such strength as I had until better times came.

From 1881 the progress of the bank has been steadily upward, not as fast as we could have wished for, we thought to have had the rest up to half the capital several years before we actually accomplished it. The time, however, came when our hopes were realized, as you know, and now we are endeavoring to build up a surplus fund over and above this rest, and I hope to live long enough to see it at least amounting to half a million dollars.

But the wear and tear of these twenty years has been very great, and I have concluded to take upon me the responsibility of recommending a certain appointment to the board, for these reasons: The general management of a large bank is not a matter of routine, but of ceaseless vigilance in supervision, and energy in action, and it is becoming more so as competition becomes more keen. I have passed the limit of three score years and ten, and although possibly a man's judgment and experience are as valuable after that limit as they were before, yet his powers of vigorous action, and daily and hourly watchfulness, can hardly be expected to keep up. For in the administration of a bank, it is not only necessary to conserve the business we have, but to be active and vigilant in embracing new opportunities. It is needful, moreover, at my age, for the succession to be thought of. This is a matter that should not be left to the chance of experiment. The interests involved are far too serious to admit of this. The directors in their report have used, in reference to this appointment, the words "proved ability," and they are strictly applicable.

I conceived, when discussing the matter with the board, that it was most desirable that the succession should be with a banker whose ability had been proved in a position of the same kind. This was the course followed at the time of the crisis of twenty years ago. I do not doubt that the result of the action now taken will be, as the directors have expressed it, advantageous to the bank's interests. I have