

dividends and interest payments the clearing house institutions in New York had to report, in their Saturday statement, a heavy loss of surplus reserve. In case of all members—banks and trust companies—the loan expansion amounted to \$23,782,000, and the cash loss to \$6,320,000. The net result was to reduce the surplus reserve from \$22,337,950 to \$10,453,500—the decrease for the week being \$11,884,450. The banks alone had an even greater decrease of reserve strength to report—their surplus fell from \$23,463,750 to \$7,151,750, the decrease being \$16,312,000.

#### NO SCARCITY OF FUNDS LOOKED FOR.

While it is true that the bank surplus has thus been reduced to small figures, the low rates quoted for call and time loans afford convincing evidence that no shortage or scarcity of funds is looked for. It is understood that the return flow of dividend and coupon money to the New York banking institutions will have a tendency to increase their cash reserves in the next ten days. Then it is to be remembered that the industrial depression precludes the possibility of any large demand for credits. The news items referred to a week ago (regarding the discharge of men by the great railway systems) indicate that industry and trade are still yielding up capital. While the reaction is world-wide in scope, it is clear that its effects in the United States have been aggravated by the bad position of the railways and big industrials.

#### RATE DECISION AND PROSPERITY.

The Wall Street market has been practically at a standstill pending the decision of the Interstate Commerce Commission in the rate matter. The majority of the brokers believe that if the commission allow the 5 p.c. increase asked for by the roads, the stock market will rise and speculative interest increase. However, in the United States as in Canada much will depend on the crops. A favorable rate decision by itself could not be taken as ensuring the return of prosperity, it might not ensure favorable traffic reports by the railways. The railway companies would still be under the necessity of keeping their expenses rigorously down. Assuming that the 5 p.c. increase were granted by the Commission, the question then arises as to whether the trainmen will demand further increase of wages.

#### PRICES STILL GOING UP.

The Department of Labor's index number of wholesale prices rose slightly in March, standing at 136.7 as compared with 136.1 in February and 136.0 in March, 1913. The more important increases occurred in grains and fodder, animals and meats (especially in poultry), canned salmon, apples, beans, potatoes, flour, oatmeal, beef hides and muskrat skins. Important decreases occurred in eggs, jute, brass and lead and in some grades of pine. In retail prices beef, veal, bacon, flour, beans, prunes and potatoes were upward, while there was a general decline in eggs, and butter showed a downward tendency.

## BANK OF BRITISH NORTH AMERICA.

Among the leading Canadian banking institutions, the Bank of British North America has always held a prominent position by reason of the conservatism of its methods and the solidity of its position. Distinguished from other banks in the peculiarities of its constitution it has always been at one with them in upholding the best traditions of Canadian banking practise. With the gradual growth of Canadian banking operations consequent upon the development of the Dominion, it is assured of increasing importance and prestige.

#### A STRONG POSITION.

On this occasion direct comparison of the Bank's position at November 29 last, with that at November 30, 1912, is precluded owing to the changes in the form of the balance sheet, consequent upon the requirements of the new Bank Act. The figures, however, show that last year this Bank, in common with other banks, enjoyed considerable prosperity. Net profits were \$680,745, compared with in 1912, \$678,505 for a period of eleven months. However, it has to be remembered that this year various charges for depreciation of investments and other purposes were made against profits, prior to their declaration. These charges amount in all to \$77,867, so that actually earnings last year showed a very substantial gain upon those of 1912. There was also a balance brought forward from the previous year of \$93,447. The 8 per cent. dividend absorbed only \$380,333; an allocation of \$97,333 is made to the reserve fund, bringing up that fund to \$3,017,333, a proportion of 62 p.c. to the paid-up capital; a similar allocation of \$97,333 is made to bank premises account. As usual generous provision is also made for the officers and staff of the Bank. In addition to the usual contributions to funds for their benefit, \$36,500 was distributed in a 5 per cent. staff bonus. While provision for the staff is made on a generous scale, such provision is obviously sound policy and is more than repaid to the Bank in the increased loyalty and enthusiasm for the Bank's interests which such provision engenders. After making these various allocations, the increased balance of \$108,438 is carried forward.

The balance sheet shows a strong position. In deposits there was a slight falling off, owing to special deposits having been withdrawn, and they stand at \$38,230,931. Circulation is higher at \$4,876,310. On the other side of the account, coin and bullion and Dominion notes total \$5,379,476; Canadian call and short loans, \$1,657,343; foreign call loans, \$7,665,800 and business loans in Canada, \$28,696,965.

#### GENERAL MANAGER'S ADDRESS.

A feature of the recent annual meeting in London was an address to the shareholders by Mr. H. B. Mackenzie, general manager. Mr. Mackenzie, it will be remembered, was appointed as general manager just over a year ago and the success which he is achieving in that position, while exceedingly gratifying to those who know him, had been fully anticipated in view of his previous brilliant career. Mr. Mackenzie's address, with its general tone of conservative optimism should do much to re-assure those on the other side who have been led through exaggerated reports to fear that conditions here have been of a critical character. Mr. Mackenzie very rightly pointed out that while there has been a decided check