

Bank of British North America.

A general meeting of the proprietors of this bank was held at the office of the Corporation in London on Sept. 6 to receive the report of the directors.

The Chairman said: You will notice that in the report we have differed from the usual form in one particular, namely, that we state the amounts appropriated out of the net profits of the half year to the Officers' Widows and Orphans Fund and the Life Insurance Fund. When those excellent schemes were first instituted, we took your sanction for contributing to them, and from time to time they have been mentioned in the half yearly reports presented at general meetings. But in view of the fact that the personnel of shareholders changes in time, we thought it better to specify in the half-yearly report the appropriations to those excellent schemes, and to obtain your continuing sanction to them. Turning to the balance-sheet the only items which show any noticeable change as compared with the last half year are the following.—On the liabilities side there is a diminution in the amount of deposits on current accounts of about £100,000. This is entirely an ordinary diminution, owing doubtless to the somewhat restricted means of the depositors during hard times, and will right itself when business grows better. On the assets side you will notice a decrease of £330,000 in the item "Cash on call," &c. Of this sum £150,000 appears in the increased total of "Bills receivable, loans, &c.," that is to say, that in some of our branches money has been to that extent loaned at fixed times of, say, two or three months instead of at call; and of the remainder, £100,000 is the result of the decrease to that extent alluded to in deposits. The amount of the investment account is swelled by £26,000 of good colonial securities which it has been to our advantage to take. The bank premises account has been augmented by £3,500, part of the cost of the new buildings at Vancouver. The total of this account is, we consider, a moderate estimate of the value of our investment in bank premises. The net earnings from the profits of the half-year, after making ample provision for bad and doubtful debts, amount to £33,437 14s 6d; this, together with the £7,863 10s 2d brought forward, gives a total of £41,301 4s 8d, which we have to deal with, and which enables us to declare the dividend usual at this half-year of 35s per share, to appropriate £687 12s 1d to the officers' fund, which I have alluded to, and to carry forward £5,613 12s 7d to the next half-year. This result, obtained as it has been during a time of great financial panic in two great countries of the world, is one for which, to say the least, we may be thankful. There is no denying that it has been an anxious time, but it is quite possible that the wave of distrust which was the direct result of the financial policy inaugurated in the United States by the passing of the Sherman Silver Bill might have extended over the border into the Dominion. That it did not do so is, I think, eloquent testimony to the soundness of the Canadian banking system. Had it extended there, it would have caused us and the other great banks of the Dominion some inconvenience, and possibly some loss; but our financial position is, and was, sufficiently strong to have met such an emergency successfully. I am very happy to be able to state that we have met with no exceptional losses during the half-year; and perhaps I may here say that when we report to you, as we do report to you, that all bad and doubtful debts have been provided for, those unwelcome and unavoidable casualties are gone into by the board most carefully *seriatim*, and dealt with with no unsparing hand. On the whole, I may say that we have cause to be thankful that we have been able to earn our accustomed half-yearly dividend as usual during very trying times. As regards the pros-

pects for the coming half-year, it is always difficult and somewhat dangerous to prophesy; but so far as we have been able to inform ourselves, the great industries of the Dominion are in a condition favorable to the general welfare. We have reports from the other side which assure that the harvest generally in the Dominion is likely to prove an average one, and I have seen it stated in some of the newspapers that, as regards the great West, the quality of crops is the best on record. The lumber trade, one of the greater industries of the Dominion, has been lately in a more than usually prosperous condition; and as regards the manufacturing industries—well, although they cannot be said to be 'booming,' still I believe that they are not in an unhealthy position. Under these circumstances, I think it is not unreasonable to look forward to the possibility of a prosperous half year. You are aware that from time to time, when practicable, some member of the board makes a visit of inspection to the branches and the agencies. The information obtained during these visits is always of great interest, and most useful to us here. These inspections keep us in touch not only with our officers, but also with some of our customers, and they afford us that personal knowledge of our business which is always of great value in any banking concern. We have recently had the benefit of a visit of this sort from our valued colleague, Mr. Glyn, and the voluminous information which he has brought home has inspired us with renewed confidence in the continued prosperity of the bank, and, I think I may also say, in the continued popularity of the bank. It has also confirmed us in the belief which we have maintained, that your officers—from the general manager and his able deputy, the managers of the branches, down to the juniors in the service—continue to merit that confidence which we place in them, and by their tact and ability, and by their zeal in your service, to merit those thanks which I hope you will now join with me in offering to them, and which I think they truly deserve. I do not think that there is any other topic upon which I can touch, and unless any shareholder has any questions to ask, or any remarks to make, I will put the motion for the adoption of the report.

The World's Wheat Supply.

In this issue of the *Price Current* is published the annual statement of *Beerbohm's* London Corn Trade List, relative to the question of wheat supplies for the ensuing year. *Beerbohm's* list is painstaking in such work, and its statements are entitled to full consideration. The conclusion reached in the calculations is that the exporting countries will apparently have an exporting surplus of 45,000,000 quarters, including grain from previous reserves and the new crop, while the indicated requirements of importing countries aggregate 50,250,000 quarters—or an excess of 42,000,000 bushels in requirement over supply. It is observed that "it must be confessed that with the present abundant supplies there are no signs of any such prospective deficiency of 5,250,000 quarters as is here shown," and that "it is, of course, possible that American official statements are once more at fault."

In the calculation the United States crop is estimated at 410,000,000 bushels, and the exportable surplus, including previous supplies, 110,000,000 bushels.

When it is considered how near in fact this careful analysis of the position of wheat shows the supply and requirements to be, and that the apparent deficiency is a quantity equivalent to only 2 per cent. of the aggregate production, it may well be accepted that the world's wants for the year may be recognized as provided for, although it appears probable that in order to meet these requirements on the usual basis the accumulations of wheat of previous production

in excess of normal reserves will necessarily have to be absorbed. In view of this fact, and of the actual plentifulness of supplies in commercial channels, it seems problematical if sentiment will be equal to advance values in any great degree until the season may be much further advanced—and the influence of prospects concerning the next crop will become a factor in the shaping of speculative views. It is in order, however, to expect that the year's average of values will be decidedly higher than the preceding year, and probably higher than for several years past.—*Cincinnati Price Current*, Sept. 28.

Money and General Business.

That there has been a great improvement in the supply of currency available for general business purposes is attested on all hands, both east and west, and while there has been some increase in the volume of general business it is not yet such as to inspire general confidence, and merchants and manufacturers are keeping close to shore. The banks are urging good borrowers to take money and employ it in their business, but the latter cannot see their way clear to employ borrowed capital without an assurance of profit, and such assurance they cannot obtain.

It is true that the stock market has given evidence of more confidence lately, but that is at the present time not to be considered as a barometer of general business, if it ever is. Prices of stocks are influenced by many things besides the amount of money available to borrowers on call at low or moderate rates, and there is so much of speculative manipulation in the transactions that it is difficult to tell what is the legitimate groundwork of the market. Frequently the stock market and general business appear to be opposed to each other; the selling of borrowed stock, or short selling, frequently depresses values unduly, and is apt to have a similar influence, by sympathy, on the merchandise markets, but there is really no necessary connection between them. In times like these money lenders prefer to lend upon good collateral security, and accept low rates on call rather than discount commercial paper and take the risk which that involves, even if they obtain higher rates of interest. Thus credit is much restricted, and it will take a long time for such a restoration of confidence as will admit of the usual bank accommodation being extended to merchants and manufacturers. These are prudent and sagacious business men who are sought as borrowers, but they will not branch out under uncertainties, preferring to do only so much business as they can on their own capital, so that while the money market may be easier for them, it may be close and perhaps prohibitory for the ordinary business man, who has for years been considered in fairly good credit, and has been able to obtain all the money he required from his bank for the prosecution of his business. Thus business is practically reduced to a cash basis, which means that it is much reduced in volume and that it will continue for a long time on this greatly reduced basis. The resumption by many factories that had been closed is generally on a reduced basis of wages or on shorter time, and a general curtailment of business it is evident will require less money for its prosecution, so that the volume of currency which was scarcely adequate to the wants of trade in prosperous times may be excessive in the future when the volume of trade is likely to be so much reduced.

It requires more than plenty of money to produce prosperity. We may have an abundance of currency and a scarcity of trade. The outlook for business during the fall and winter months is anything but encouraging, but trade will not cease and the great recuperative capacity of the country will sooner or later become manifest and assert its power, but there may be a long time before this will overcome the great shock which business interests have received.—*Cincinnati Price Current*, Sept. 28.