

BANK OF OTTAWA.

The Statement of the above bank which appears in full in this issue, is in line with a succession of annual reports that have evidenced the continuous expansion of its business, accompanied by profits that have been highly satisfactory to the shareholders. In the last year ending 30th November, the net profits were \$298,594. This was appropriated to payment of two half yearly dividends at rate of 9 per cent. per annum which took \$180,000, to the Reserve Fund was added \$100,000, \$14,187 was applied in reduction of Bank premises and furniture and \$4,407 was left to augment the balance at credit of Profit and Loss to be carried to next year. The Reserve Fund now stands at \$1,865,000, which equals 93.25 per cent. of the paid-up capital. Owing to the continued expansion of business the directors were authorized to add \$1,000,000 to the stock, raising it to \$3,000,000, the allotments to be made from time to time in such amounts and at such periods as is deemed advisable by the Board. The probability is that \$500,000 will be issued as soon as the consent of the Treasury Board of the Government is obtained. A comparison of the last statement of the Bank with that of 1898:—

	Nov. 30, 1898.	Nov. 30, 1902.	Increase.
	\$	\$	\$
Capital paid up.....	1,500,000	2,000,000	500,000
Reserve Fund.....	1,170,000	1,865,000	690,000
Profits of year.....	185,284	298,594	113,310
Per cent. of Capital.....	12.35	14.92	3.57
Circulation.....	1,428,055	1,874,196	446,141
Deposits bearing interest..	5,472,202	9,974,399	4,502,197
Deposits without interest..	1,077,618	1,878,891	801,273
Loans and bills discounted	7,109,656	11,378,752	4,269,096
Total assets.....	10,820,462	17,885,840	7,065,378
Percentage of increase in Assets.....		65.30 per cent.	
Percentage of increase in Paid-up Capital, 33.33 per cent.			
Percentage of increase in Reserve Fund, 58.97 per cent.			

In his address at the annual meeting Mr. Charles Magee referred to the Grand Trunk, Pacific and Canadian Northern as calculated to stimulate the business activity of the whole Dominion, add to its population and prolong its prosperity. He announced his retirement from the office of President and from the Board of Directors, of which he had been a member since the bank was established in 1874. A resolution was passed voting \$10,000 to Mr. Magee in recognition of his past services, and Mr. George Hay was elected President and Mr. David McLaren, Vice-President. Mr. George Burn is to be congratulated on his successful management.

LIGHTING THE ST. LAWRENCE.—The new Minister of Marine intimates that the Government will make a grant towards the cost of lighting the St. Lawrence so that it will be navigable by night.

THE PER CENTAGE OF FOREIGN EXCHANGE.

The practice in vogue in Canada of stating the price of foreign exchange at a certain percentage, 9½ per cent. being par of exchange, differs from the custom in New York where most of the foreign bills on England are drawn. The Canadian system of quotations of prices is somewhat more circuitous than the American. Where a banker says that a foreign exchange bill will cost, say, 9½ per cent., or par, he means that for each pound sterling so purchased the sum of \$4.86 and a fraction will be charged. The exact par is \$4.86, with the 6's continued endlessly, but, for convenience in working purposes, they are stopped at, the second figure to right of the decimal point. In New York if the price of a foreign bill is asked for, the banker says directly \$4.86, if exchange is at par, or more or less as the market runs. The latter practice is not only simpler but is more intelligible as any person can understand that if he wants, say, £100 sterling in England it will cost him \$486.66 in New York; or a trifle about 14 cents, less than \$5 per pound sterling. It is, however, somewhat a mystery to most persons why the bankers here say, exchange is at such and such a rate per cent., 9½ per cent. being par. The reason for this custom is now quite obsolete, it is a matter of history and should be replaced by the more intelligible plan adopted in New York. Our practice arose from the change of the old Canadian currency of pounds, shillings and pence into the present decimal currency of dollars and cents, to which an interesting reference is made in the history of the Bank of Nova Scotia.

In 1871 the Federal Parliament passed the act respecting the currency which gave to the Dominion a uniform currency, the single gold standard adopted being that of the British sovereign of the weight and fineness prescribed by the law of the United Kingdom, to pass current in Canada at \$4.86½. The same act made the gold eagle of the United States of a certain standard of fineness, legal tender in Canada. This, however, does not explain why 9½ per cent. was made and remains par of exchange. The old currency of Canada, called "Halifax currency" was reckoned at \$4.44 to the pound. In order to bring this up to the new standard, the British gold sovereign, it was necessary to add 9½ per cent. to the \$4.44, which per centage being added raised the par up to \$4.86½, which is the legal par value of the English sovereign in Canada.

From whence "Halifax currency" got that name is not known, as the "Maritime Merchant" of that city, which is doubtless well informed on local history declares that it "was in use before Halifax was