

RE-EMPLOYEES OF THE PEOPLE'S BANK.

"All the present employees of the selling bank shall be engaged for one year, by the purchasing bank as employees of the purchasing bank at their present salaries, and any of the said employees who may, after expiration of such year, be continued in the employ of the purchasing bank are to be placed upon the Pension List of the purchasing bank subject to the regulations of the Pension Society of the purchasing Bank (the time of service, however, of any employee in the selling Bank being added to the time of his service in the purchasing Bank) provided always that, all such employees from the time of their becoming employees of the purchasing Bank shall be subject to the By-laws and Regulations of the purchasing Bank relating to employees and the terms, condition and duration of their employment, except that during such period of one year said employees shall not be liable to have their employment terminated by three months' notice as provided by By-law 14 of the purchasing Bank.

CIRCULAR TO SHAREHOLDERS.

"Mr. J. J. Stewart, president of the People's Bank of Halifax, has issued a circular in which he announces that a sale of the Bank has been made to the Bank of Montreal for which course the following reasons are given:

"Your directors were led to take this course in consequence of impending losses, keen competition and the strained resources of the Bank, which seem to make it desirable in the interests of the shareholders. Your directors have found great difficulty in providing for the wants of their customers and keeping the business of the Bank in a healthy condition with the limited resources at their command, while the keen competition of the larger institutions render it, year by year, more difficult to make profits for the shareholders.

"The price paid for the stock of the People's Bank of Halifax is below the market price, yet, in view of the reasons already set forth, your directors have no hesitation in recommending the agreement for your acceptance and approval, feeling that the additional security afforded by the exchange of the stock of this Bank for that of an institution of the strength of the Bank of Montreal with the prospect of increased value of that stock, is much more in the interests of the shareholders than any prospect that they are able to offer by continuing the business of the Bank in view of the circumstances."

Formal notice has been given that a special general meeting of the shareholders of the People's Bank of Halifax will be held at the office of the Bank of Halifax, N.S., on 9th May next, for the purpose of considering the agreement of sale and purchase, and if deemed advisable, of passing a resolution or resolutions approving the said agreement and authorizing the president and general manager of the People's Bank of Halifax to affix to said agreement the corporate seal of the Bank and to sign and execute the same for and on behalf of the Bank, and to do what may be necessary for winding up the affairs of this Bank and distributing the proceeds of the said sale.

THE BANK OF BRITISH NORTH AMERICA.

At the annual meeting of the Bank of British North America held in London on 7th inst., an address to the shareholders was delivered by the chairman, Mr. A. E. Hoare, which discusses a wide variety of financial and other topics relating to the business of the bank in the past year. Reference was made to the setting aside in December, 1903, of \$45,000 to provide for depreciation in the Consols held by the bank, and of \$20,900 in June last, to meet the depreciation in the bank's investment on Dominion of Canada bonds. In both these securities an advance has taken place since the bank wrote down their value, and the investment, said the chairman, "is again worth par," and "on its merits a Dominion of Canada bond is worth more to-day than it has ever been before." In the statement consols are carried out at 86, which is the same value placed on them at the end of 1903, the present price being over 91. The securities owned by the bank stand in the book at less than actual values.

In alluding to the increase of reserve fund by \$100,000 it was pointed out, that the whole of this fund had been built up out of profits, while the reserves of some banks, "our friendly rivals," said the chairman, have been largely augmented by premiums obtained from the issue of new capital." The reserve fund now stands at \$2,044,000.

The assets immediately available including cash in hand, at call and at bankers, with the securities, aggregate \$14,172,129, which is equal to about 80 per cent. of the deposits and credit balances in current accounts.

The total net profits of the year 1904 were stated to be \$480,000 (£96,000), which is exclusive of those sums which are appropriated for the benefit of the staff. This sum is an increase of \$40,000 over 1903. For the past half-year, June 30, to December 31, 1904, the net profit was \$298,527. To this \$30,817 was added as balance in profit and loss account, making together \$329,344 for distribution as follows, \$97,000 (£20,000), transferred to reserve fund account, \$48,667 to bank premises account, \$2,500 to Officers' Widows' and Orphans' Fund, \$2,771 to Officers' Pension Fund; these four items make \$151,271 which being deducted from \$329,344, left \$178,073 available for the April dividend, which, at the rate paid in October last, would absorb \$146,000, and so leave \$38,073 to be carried forward.

The profits were regarded as "eminently satisfactory" considering some of the circumstances under which business was conducted in 1904. The bank employs a large part of its resources at call and short notice in New York, where, during last year, the average rate of call money did not exceed 1½ per cent. and for time money 3 per cent. Such low rates meant reduced profits.

The following figures will enable our readers to follow more intelligently the remarks of the chairman in