Meetings.

BANK OF BRITISH NORTH AMERICA.

The general meeting of this bank was held on Tuesday, 4th inst., at the office of the corporation, 3 Clement's Lane, Lombard Street, E.C., London, Eng., Mr. E. A. Hoare presiding.

The secretary (Mr. A. G. Wallis), having read the notice convening the meeting,

The chairman said: Gentlemen, as I shall have occasion in the course of my remarks to refer to the various matters mentioned in the report, I will not now occupy your time by reading it in detail, but will proceed at once to the consideration of the balance-sheet, and, in doing so, it will be convenient to compare the figures at June 30th, 1900, with those at December 31st, 1899. Our deposit and current accounts show an increase of £249,000—thus showing steady and continuous progress. The notes in circulation have increased £104,000, the total now being £534,000, compared with £430,000 in December, and with £325,000 in June, 1899. This increase is quite remarkable; it is due partly to the general activity of trade in the Dominion, but more particularly to the large amount of notes which have been required for the purchase of gold dust and other purposes at our recently-established northern branches. (Hear, hear). Bills payable and other liabilities show an increase of £153,000. You will have observed, both from the report and from the balance-sheet, that we have subscribed $2,500 to the fund for the relief of the sufferers by the conflagration in Ottawa and we feel confident that our action will meet with your cordial approval. (Hear, hear). The next item, which, again, is referred to specially in the report, as well as in the balance-sheet, is an appropriation of £3,000 to meet expenditure on premises account. This sum we have set apart out of the profits of the half-year towards the expenditure on our new premises in Gracechurch Street.

Those of you who from time to time visit the bank must have appreciated that, for a long time past, these premises have been entirely inadequate for our business, and consequently nearly three years ago we decided that it was absolutely necessary for us to make a change. The matter has constantly occupied our attention, and during all this time we have frequently endeavored to secure more suitable offices, but without success, until a few months ago we were offered a long lease of the ground floor, lower ground floor and basement of the Woolpack Buildings, in Gracechurch Street. We do not say that the situation is all that we could desire—but if it is not quite within the most select circle, it is at least convenient, and we believe will prove suitable for our business. The accommodation which we have secured should prove to be ample, not only for our present purposes, but for a considerable growth in our business. The ground floor is now being adapted for our banking requirements. It is exceptionally well lighted, and will make a handsome banking hall, affording to the public, as well as to the staff of the bank, the space which has been singularly wanting here. On the lower ground floor, adjoining the board room we have arranged for a large and comfortable room, which will be devoted entirely to our friends and customers from Canada. The number of those who annually visit us on business is constantly increasing, and for a long time past it has been a matter of concern to us that we have been quite unable to show them any hospitality of this kind—our offices being so cramped that we have not even been able to provide a waiting-room for their accommodation. The plans of our new premises have been arranged so as to supply this need in the most convenient manner possible, and we hope that in future it will be appreciated and constantly made use of by all our friends, to whom we desire to extend a very warm welcome. (Hear, hear). The basement will be occupied by the strong rooms. The necessary alterations are now being carried out under the direction of our architect, Mr. Macvicar Anderson, and will, we hope, be completed before the end of the year. The cost of these alterations will be considerable, and the sum which we have now appropriated will not nearly suffice to cover it; but we have thought that the balance might fairly be spread over subsequent half-years. The usual appropriations for the benefit of the staff referred to in the report will, I feel sure, be approved.

On the other side of the account, our cash and specie amount to £1,153,000, being an increase of £356,000. This represents a proportion of 59 per cent. to our immediate liabilities. You will no doubt observe that the bank is in an exceptionally strong position. We feel that the financial outlook is not without its uncertainties, and we like to be prepared for them. Cash at call and short notice amounts to £921,000—a decrease of £101,000; but this decrease, you will observe, is much more than compensated for by the increase in the last item. Under the heading of investments, Consols remain unchanged, but we have added to our British Government securities by the purchase of £50,000 of the National War Loan, which we have written down to 90 out of the profits of the half-year, so that in our next balance-sheet, when the stock is fully paid, the £50,000 stock will stand in our books at £45,000. In making this provision, we are quite aware that it may be regarded as almost an extreme measure, for it is most unlikely that a stock, repayment of which at par after ten years is guaranteed by the British Government, can fall to such a low figure; but, nevertheless, the war in the Transvaal is not even yet ended, and it is impossible for any of us to forecast the expenditure that may still be necessary for military purposes in South Africa and in China, and consequently we have thought it well to be on the safe side, and place this investment on the same level as the Consols. (Hear, hear). This purchase is another step towards the attainment of the object which we steadfastly keep before us of having the whole of our reserve fund invested in British Government securities. Our other investments show a decrease of £9,000. The next item—bills receivable, loans on security and other accounts—shows an increase of £245,000. We carry forward to the new account £9,800, which is slightly less than in June, 1899, when we carried forward £10,200. On a previous occasion, I explained to you that it has never been our policy to make any addition to our reserve fund at this half-yearly meeting, but we try to carry forward a substantial amount with the object of adding to the reserve at the end of the year. Last year, you will recollect, we added £25,000 to our reserve fund, and we shall be greatly disappointed if we are not able to add at least as much this year. On a previous occasion I pointed out to you that the growth of our reserve fund has not, by any means, kept pace with the increase of our liabilities. This was not caused by any neglect on our part, but because during the lean years, which we were passing through, we had not the means of doing so. In illustration of what I have said, I wish to place before you a comparison between our present figures and those of five years ago. In June, 1895, our reserve fund amounted to £275,000; now it stands at £325,000, an increase of £50,000, or 18 per cent. In June, 1895, our total liabilities amounted to £4,478,000, whereas at the present time they amount to £7,335,000, an increase of £2,857,000, or no less than 63 per cent. These figures are quite sufficient to justify the directors in their determination to build up the reserve fund during the present prosperous times to the utmost of their power and in placing this object before any other. (Hear, hear).

Perhaps these last figures may also serve as an answer to those good-natured critics, who tell me from time to time that we are not a progressive bank. Surely an increase of 63 per cent. in our total liabilities within a period of five years—not fostered by the amalgamation system now so prevalent in this country, but the result of genuine and legitimate growth and extension—can hardly be regarded as justifying such criticisms. I may now conclude my remarks respecting the accounts by pointing out that the dividend for the half-year under review is at the rate of 30s. per share, or 6 per cent., compared with 25s. per share, or 5 per cent., for the half-year ended June, 1899—an increase with which you will no doubt be pleased. (Hear, hear).

There is one other matter to which I must refer, although it is not mentioned in the report. You will see that among our establishments in British Columbia the branch at Bennett is mentioned; but I may inform you now that we have quite recently decided to close that branch, which has been opened for little more than a year. We always felt somewhat doubtful whether this branch would prove to be permanent, and when I had the honor of addressing you a year ago, I used these words: "Bennett is a place where a considerable business is being transacted. It is a sort of half-way house to Dawson City, and has developed into quite a business town. Should the railway ultimately be carried right through to Dawson, its importance may consequently be diminished, and we have not been unmindful of this point in opening our branch there; but, nevertheless, the position has seemed to us to be worth a trial." That is exactly what has happened. The railway has not yet been carried through to Dawson City, but it has been extended to White Horse, so that Bennett is no longer the terminus, and its business is rapidly dwindling away. Anticipating this possibility, we had not involved ourselves by the purchase of a bank building—we merely rented an office on a short term agreement—and we can close down without any serious loss. (Hear, hear).

I have now occupied so much of your time by an explanation of what I may describe as our domestic interests, that I can only briefly refer to the general conditions of trade and finance in the Dominion of Canada during the period under review. Canada has enjoyed another year of unusual prosperity, and during the fiscal year ended June 30th last, the aggregate trade of the country amounted to $336,000,000, an increase of about $50,000,000 over that of the previous year, notwithstanding the fact that the aggregate trade for the year ended June, 1899, was greater than that of any that preceded it. If we carry the comparison back to 1896, we find that the present figures compare with a total of $239,000,000—a very remarkable increase. I shall not be so unwise as to attempt to predict the future course of trade, but we must not forget that the success of agriculture is the mainspring of Canadian