Bank of British North America.—*Continued.*

The yearly general meeting of proprietors was held on Tuesday last, at the London Office, 5 Gracechurch street, E.C., Mr. J. J. Cater presiding.

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

The chairman said: The report and balance-sheet having been in your hands for several days, I suppose you will take them as read? (Hear, hear.) That being so, ladies and gentlemen, it becomes my duty to move that the report and balance-sheet be received and adopted, but before doing so, I purpose, with your permission, to offer a few remarks on some items therein, and to compare some of the figures with those of December, 1902, omitting shillings and pence. The capital remains the same, but the reserve has been increased to £400,000 by the transfer of £10,000 out of the profits of the year 1903, and it will be the policy of the Court to add to the reserve as we are enabled out of the annual profits until it reaches at least £500,000, or 50 per cent. of the capital. Deposits and current accounts have increased £265,852. Notes in circulation show a decrease of £27,825. Bills payable and other liabilities are £160,171 less, which arises chiefly from a reduction in this bank's acceptances. They fluctuate from time to time, and call for no special remark. Liabilities on endorsements, £328,694, represent bills discounted by this bank and not matured by December 31st, 1903. Most of them have run off since the end of the year, and from the quality of the bills themselves the risk is so small that it is not taken into account. The profit and loss items I will deal with later.

TRANSFERS TO PENSION FUNDS.

Your sanction is asked to the transfers of £513 14s. £102 2s. 6d. special to the Officers' Widows' and Orphans' Fund, and £502 1s. to the Officers' Pension Fund. Turning to the credit side of the balance-sheet, you will find the cash and specie at bankers and in hand show an increase of £165,814, whilst the cash at call and short notice is £337,222 less, the net decrease being. £171,408 The percentage of these sums of cash, £2,322,851, to 34 per cent. of the liabilities to the public, £6,828,638 per contra, the percentage in 1902 having been 36.94 per cent. In either case the provision of cash appears ample for our requirements and for safety. Consols have been written down to 86 at a cost of £9,000 out of the profits. The value on December 31 having been 88, there was then a margin of 2 per cent., and although Consols since have been below 86, it appears not unlikely that the value will not fall permanently much below 85, unless the war in the Far East should become extended, and involve other European Powers. The other items of War Loan and Exchequer bonds remain as before. The investment of £140,000 in Canada bonds was referred to by Mr. Whatman and Mr. Hoare at the March meeting, 1903, and was fully explained in the report to June 30, 1903, sent to the shareholders in September last, as being necessary, owing to the continued expansion of the note circulation of this bank, the bonds being held for deposit with the Dominion Government as provided by Section 51 of the Bank Act, 1901. The premium of over £4,000 was written off out of the profits of the half-year June 30, 1903.

OTHER SECURITIES.

Other securities, £147,688, are £51,401 less. Their book cost on December 31 was less than the market value of that date. Bills receivable, loans on securities, etc., £5,224,912, show an increase of £132,015. In bank premises, £159,351, there is an increase of £27,539. This increase is due to new buildings at Winnipeg and Ottawa, and alterations at Toronto and several branches elsewhere. Many of the old branch buildings are defective in plan, and were both inconvenient and inadequate for the public and the staff, and it has been necessary to modernize them to enlarge or to rebuild them, and in Ottawa we have removed the Bank to a more central business locality. The changes generally have given unqualified satisfaction, and resulted in a considerable accession of business to the bank. An independent valuation of all the Bank's properties has been made, and the result is that the actual value considerably exceeds the amount at which they stand in our books. You will notice in the report that we have opened three new branches and one sub-branch, making in all, since December 31, 1902, to the present time nine branches (Fenelon Falls, Rosthern, Battleford, St. Catherine street, Montreal; Yorkton, Estevan, Toronto Junction, Reston, Calgary), and four sub-branches (Weston, Longueuil, Duck Lake—now a full branch—and Levis). The last item on the credit side is £30,056, which is a deposit of 5 per cent. on the average circulation of this bank with the Dominion Government required by Act of Parliament for the security of the general bank-note circulation.

PROFIT AND LOSS.

I will now ask you to turn to the profit and loss figures, showing that we brought forward from June 30, 1903, a balance of £35,405 (which was £694 less than in 1902); deduct dividend paid October, 1903, £30,000; leaving £5,-405. Add the net profit for the half-year to December 31, after deducting all charges, and providing for bad and doubtful debts, £42,468; making £47,873. Deduct transfers to: Reserve Fund, £10,000; Officers' Widows' and Pension Funds, £1,117, making £11,117, leaving net to deal with £36,756. Deduct April dividend, £30,000, leaving a balance to carry forward, £6,756. Whilst this result is no doubt satisfactory to you, I must point out that the net profit, £42,468, was £17,793 less than in 1902, and that this less favourable result was due to the difference in the rate of interest on loans prevailing in New York, where we employ a portion of our reserves, the rates for the year 1903 having been considerably lower than in 1902, when an exceptional demand for money prevailed. Our esteemed colleague, Mr. E. A. Hoare, visited Canada and the United States last autumn, and was good enough both to inspect some of our branches, and to arrange with our general manager where other branches and sub-branches should be opened. He was also able to judge of the progress of branches opened and changes made in the officers on his previous visits. The Court of Directors feel greatly indebted to him for the care and trouble he devoted to this matter and for his constant endeavour to extend the business and influence of this Bank.

THANKS TO STAFF.

The directors also heartily thank our staff, both at home and across the Atlantic, from the general manager to the juniors, for the zeal, ability and general discretion which they have shown in the affairs of this bank, and I feel sure that the staff will much appreciate it if you will pass a vote of thanks to them. I may mention that the number of our staff in Canada is 224, and in London 24 officers.

COMMERCE AND BANKING.

The annual reports of our managers on commerce and banking during 1903, are full of interest, and I will give you a few remarks on the trade of Canada, etc. With regard to lumber, both wages and the cost of supplies have increased, but the enhanced cost of the production has been fully compensated by better prices for the manufactured article, and many mill owners sold their next season's cut at an advance of 10 per cent. on the prices of 1902. Timber limits have also sold at extremely high prices, and it is satisfactory to notice that the Ontario and Nova Scotia Governments are encouraging the study of forestry and the replanting of young trees in the denuded forests. Canada is now the principal source of supply, and Russia being at war, may only be able to ship timber to a lessened extent. British Columbia has also done well with her timber trade.

AGRICULTURE IN CANADA.

Agriculture has prospered in Canada, as a whole, in 1903, and before that year there were six or seven years of bountiful crops of grain. The yield of wheat in Manitoba in 1903 was fifty-one million bushels, and prices were 12 cents to 15 cents per bushel higher, whilst the crop of 1904 is expected to be the largest known in that district. Immigration, partly of experienced farmers from the Western States of America, brought 135,000 people into Manitoba, in addition to some 70,000 persons in 1902, and it is fortunate for Great Britain that so good a prospect for a supply of grain is before us. The dairying industry is of more importance than is supposed, and the exports for 11 months of 1903 of cheese, butter and bacon were valued at nearly forty-two million dollars, being about double the value of the grain exported in the same period, and the money invested in Ontario alone in cows, lands, factories and dairying utensils is estimated at the large figure of one hundred and seventy-five and three-quarters million dollars, or, say, £35,000,000 ster-