

# The Bank of British North America

## REPORT OF DIRECTORS

### Presented to the Proprietors at Their Seventieth Yearly General Meeting

The yearly general meeting of the proprietors of the Bank of British North America was held at the offices of the company, 5 Gracechurch Street, London, on Tuesday, 6th March, Mr. J. H. Brodie presiding.

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

The Chairman said: Before commencing my remarks I should like to express my regrets at the absence to-day of one of the directors—Mr. E. A. Hoare—who is too unwell to be present. Mr. Hoare takes a great interest in the bank and I believe has never before missed attending these general meetings during the last twenty-six years. In the first place you will wish me to make some remarks on the balance-sheet to the end of last year. Taking firstly the item of deposits, there is again an increase in the deposits and current accounts of £490,000 sterling (\$2,384,666), which is mostly in the savings banks deposits, and, as you will recollect, it was in these deposits that the growth was shown for 1904. The actual increase in our savings bank deposits is about £390,000 (\$1,898,000). Bills payable are a good deal higher than last year, showing as they do an increase of over £1,000,000 (\$4,866,666). Notes in circulation have increased £70,000 (\$340,666), and at times during the year have considerably exceeded this amount. We are pleased to be able to put a further £20,000 (\$97,333) to our reserve fund, thereby bringing it up to £440,000 (\$2,141,333). It is getting on towards the half-million—a figure which we shall all, I am sure, be delighted to reach—and all saved out of profits, and none of it by the issue of new capital. If you now turn to the credit side, cash in specie and cash at call and short notice are more than £600,000 (\$2,920,000) above those of last year, and show an excellent percentage on our responsibilities on the debit side these two together being close upon 40 per cent. of our total liabilities to the public. Investments are slightly altered. We sold our £25,000 (\$121,666) of Exchequer bonds, and increased our Consols to an equal amount. Bills receivable, loans on security and other accounts are higher by one million sterling. The premises account, after transferring the sum of £10,000 (\$48,666) from the profits of the half-year, stands at £173,000 (\$841,333) which is £7,000 (\$34,066) less than at the corresponding date of 1904. At our last annual meeting the chairman gave you very full information respecting the various branches at which expenditure had principally been incurred, so that I need not go over that ground again; but I may remind you that he made it very clear that further transfers will have to be made in the future, when he said, "not because there is not ample value and more than ample value in property, but because we do not wish to see this account remaining at so high a point." In the opinion of the Court it is most important that we should keep our premises thoroughly up-to-date, and with this object in view there is work still to be done, and, therefore, you must not be surprised when we feel it necessary to make further transfers from profits in order to keep this account down. Our profits for the year, after making ample provision for all doubtful accounts, amount to £93,000 (\$452,600), and these figures compare with £96,000 (\$467,200) in 1904. The small difference is more than accounted for by the disappearance of one or two large accounts which had

previously been borrowers. At our last meeting the chairman referred to the inactivity which prevailed during 1904 in New York, at the same time remarking: "That these conditions will not be permanent, and a return to greater activity will certainly be seen, although I am not going to venture to predict the date." As it turned out, low rates for money continued until September, when a better demand sprang up which later on was followed by some weeks of unusual activity and exceedingly profitable rates, in which our agency fully participated. Generally speaking, business in Canada during 1905 was prosperous, all the great industries showing good results, and trade has been generally active throughout the year. Deposits in chartered banks increased over fifty million dollars. I cannot give you the total deposits for 1905, but the amount with all the banks, including the Dominion Government Savings Bank, was some 107 million pounds sterling for 1904, whilst in 1880—some 25 years before—these were only about seventeen million pounds sterling. The bank clearings of Canadian cities have increased 22 per cent. The lumber trade has shown a general improvement, the English market partially recovered from the depressed condition which was the characteristic of 1904; but it was the improvement in prices in the American market that contributed most to the prosperity of this industry; and prices still continue to advance. The salmon industry of British Columbia for 1905 has shown very good results. The catch was a record one, and the prices realized very good, and the market continues strong. Many of the canning companies must have done very well in 1905, improving their financial positions to such an extent as to put them on a very sound basis. Dairying continues to show excellent results, and the total value of exports under this heading for the year ended October 31, 1905, reached the very large total of 42 million dollars. In mining in British Columbia the approximate estimate of the mineral production in 1905, sent over in anticipation of the full returns gives a total of \$21,403,000; these figures show an increase of more than 2 million dollars over the value of the output for 1904—a difference which is largely accounted for by the high price of copper compared with the price ruling in 1904, which has stimulated production of the great copper mines of the Boundary district. In the Yukon a further decline in the output of gold has to be noticed. The Government figures, calculating gold at \$15 per ounce show a total export of \$7,110,000 which is more than 2 millions less than the output of 1904. This is partly accounted for by the fact that the summer season was extremely dry and good labor none too plentiful. The future of the camp as the chairman told you last year, appears to depend chiefly upon an adequate water supply, and we understand that surveys have now been made by engineers of high reputation, who are of opinion that there are no difficulties which cannot be overcome in bringing a sufficient supply of water to the camp. Should this prove correct the life of the Yukon may be prolonged. It is pleasing to see the climate of British Columbia being appreciated by the better class of settlers in this country, and in many parts, especially in the Island of Vancouver, families are continuously arriving, who, having small independent means, take up farms, and seem greatly to en-