

THE BANK OF BRITISH NORTH AMERICA-Continued.

idea of embarking upon a more ambitious building programme, as has been suggested in some quarters. A new branch has been opened since the last report at the Union Stock yards, West Toronto, and a branch has been closed at St. Martins, New Brunswick. We hope shortly to hear that our branch at Regina has been opened. During the past year, as you are aware, Mr. Stikeman has resigned the position he has held for so many years of general manager of the Bank. The reasons which led Mr. Stikeman to ask to be relieved of his office were entirely in connection with his health, which he felt was no longer equal to the strain of the work and responsibilities which fall to the lot of a general manager. Mr. Stikeman's connection with the Bank extended over a period of forty years, including three years as first agent in New York, and eighteen years as general manager in Montreal. After so many years of devoted service to the Bank's interest his retirement will, I believe, be no less regretted by you than it was by the court. I cannot, however, let this occasion pass without saying how great has been the value of his sound judgment and mature experience in the general manager's chair, and how much the Bank is indebted to him for building up its business on safe and conservative lines. Good as was the credit of the Bank of British North America in 1894, when Mr. Stikeman took over the general managership, we believe it stands even higher to-day, and were the cause of this result to be sought, it might fairly be replied that it was in large measure due to Mr. Stikeman's efforts. The general managership thus vacated has been filled by Mr. H. B. Mackenzie, who has the entire confidence of the court. Mr. Mackenzie has had a wide experience of the Bank's business, as inspector, branch manager, superintendent of central branches, and finally, for the past four years as superintendent of branches in Montreal. He is a man in the prime of life, forty-five years of age, and

is very highly thought of by all those who know him. We look forward to his filling the position to the satisfaction of the court and the profit of the shareholders. Having now dealt with the affairs of the Bank in detail, I think you will probably like to hear a few words from me on the subject of the general trade conditions prevailing in Canada during the past year, and on the sub-ject of the present position. The harvest was a fair one, the complete returns showing a total acreage under grain crops of 22 million acres, and a total estimated yield of over 626 million bushels. The total area sown would certainly have been considerably greater but for the unfavorable weather conditions which prevailed last spring. Agriculture in every country of the world is and always will be, subject from time to time to adverse weather conditions, so there is nothing at all peculiar in Canada's experience last year. General trade conditions have been very satisfactory; all business is active, and a strong demand for money exists, and seems likely to continue. The general prosperity of the country is no doubt due in the main to the basic conditions which have caused the great progress of the country during the past few years, i.e., a rapidly growing population and ample supplies of fresh capital. It would not be wise, however, to overlook the fact that the activity of trade has been stimulated to some extent by the spending of profits arising out of real estate transactions, nor can it be expected that profits on the same scale from this source, as well as the expenditure they give rise to, will continue indefinitely. A word on the issue of new capital creations may, perhaps, not be out of place. Canada has been a very large borrower on the London market during the past few years, and it is a good and healthy sign of the country's growth, so long as the capital obtained is wisely and economically spent; but at the

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BALANCE SHEET, 30th NOVEMBER 1912.

To Capital	\$4,866,666.66
20,000 Shares of £50 each fully paid	2,920,000.00
To Reserve Fund	39,452,983.06
To Deposits and Current Accounts	4,767,796.42
To Notes in Circulation	7,907,450.16
To Acceptances	
To Other Liabilities, including Provision for Contingencies	5,948,825.58
To Rebate Account	125,110.28
To Liabilities on Endorsements	\$533,185.35
To Liability under Guarantee in respect of the Sovereign Bank of Canada	\$300,000.00
To Profit and Loss Account—	
Balance brought forward from 31st May, 1912	\$370,276.89
Dividend paid October, 1912	194,666.67
	\$175,610.22
Net profit for the half year ending this date, after deducting all current charges and providing for bad and doubtful debts	387,904.70
	\$563,514.92
DEDUCT:	
Transferred to Reserve Fund	\$146,000.00
Transferred to Bank Premises Account	73,000.00
Transferred to Officers' Widows & Orphans Fund	3,621.08
Transferred to Officers' Life Insurance Fund	973.33
Transferred to Officers' Pension Fund	17,740.38
Staff Bonus	34,066.67
	275,401.46
Balance available for April Dividend	288,113.46
	\$66,276,945.62

By Cash and Specie at Bankers and in Hand	\$6,624,619.75
By Cash at Call and Short Notice	11,396,757.92
	\$18,021,377.67
By Investments—	
Exchequer Bonds—	
£310,300, 1915 at cost	\$1,505,165.22
Dominion of Canada 3½ per Cent. Bonds, £250,000 at 99	1,204,500.00
Other Investments	114,540.47
	2,824,205.69
By Bills Receivable, Loans on Security, and other Accounts	43,811,186.24
By Bank Premises, etc., in London, and at the Branches	1,394,665.34
By Deposit with Dominion Government required by Act of Parliament for Security of General Bank Note Circulation	225,511.58

We have examined the above Balance Sheet with the Books in London, and the Certified Returns from the Branches, and find it to present a true statement of the Bank's affairs as shown by the books and returns.

London, 17th February, 1913.

G. SNEATH,
N. E. WATERHOUSE,
Auditors.

Of the Firm of
Price, Waterhouse & Co.,
Chartered Accountants.