

## FINANCIAL

## THE BANK OF BRITISH NORTH AMERICA.

[From the "Money Market Review" of September 8, 1900.]

The general meeting of this bank was held on Tuesday at the office of the corporation, 3 Clement's Lane, Lombard street, E.C., 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 account shows and increase of £240,000—thus showing steady and continuous progress. The notes in circulation have increased £101,000, the total now being £334,000, compared with £233,000 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 £2500 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, on 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 office 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 £1,163,000, being an increase of £350,000. This represents a proportion of 55 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 amount 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 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 steadily 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 £273,000; 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 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 26s per share, or 5 per cent., for the half year ended June, 1899—an in-

crease 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 \$330,000,000, 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 prosperity, and it is, therefore, interesting to know that in the province of Ontario the prospects of agriculture are unusually bright, and there appears to be little doubt that the harvest will be fully equal to the average, both in quantity and quality. On the other hand, the result of the harvest in Manitoba can hardly fail to prove most disappointing, for owing to continued drought, the crop of wheat was seriously damaged, so much so that in several districts it will prove a total failure. Although it has been computed that no inconsiderable part of last year's favorable harvest still remains in the country, having been held back by the growers in the expectation of better prices, there is no doubt that the net result will not be satisfactory to the farmers, and that other industries will consequently suffer. The progress of the mining industry in British Columbia continues to be satisfactory and although in the early part of the year there were labor troubles in the Rossland camp, which at one time assumed a most threatening aspect, serious trouble was averted by the judicious action of the managers of the principal mines, and at the present time the relations between capital and labor are apparently more harmonious than for some time previously. The output from the mines is not only keeping pace with, but exceeding that of previous years, notwithstanding the fact that two of the principal properties have not yet resumed shipments since the labor troubles to which I have already referred. The output is, in fact, larger than the capacity of the smelters, which in consequence are being largely added to. The development of this industry brings with it a constantly increasing population, and thus provides a ready market for the agricultural products of the North-West Territories. The result of these prosperous conditions has been a steady demand for money at fair rates, and the resources of the bank have consequently been profitably employed. I must not, however, omit to mention that in New York the rates for money at call and short notice have been distinctly lower than

in the previous half year. As we are in the habit of employing a part of our funds in New York, we have, of course, felt the effects of the lower rates of interest. (Hear, hear.) The chairman concluded by moving the adoption of the report and balance-sheet and inviting questions from the shareholders present.

## WINNIPEG BANK CLEARINGS.

Returns for the Winnipeg Clearing House for the week ending Thursday, show as follows:

Week ended Sept. 20, 1900 . . . \$1,655,000  
Corresponding week, 1899 . . . 1,830,448  
Corresponding week, 1898 . . . 1,631,151

The monthly totals are as follows:

	1900.	1899.	1898.
Jan. . . . .	\$9,000,007	\$7,683,052	\$8,347,168
Feb. . . . .	6,702,040	6,200,471	6,517,770
Mar. . . . .	7,320,962	6,760,121	5,968,276
April . . . . .	7,091,610	6,916,431	6,240,113
May . . . . .	6,762,570	7,472,855	8,683,364
June . . . . .	9,012,084	8,211,710	7,306,799
July . . . . .	9,395,425	8,169,605	6,316,228
Aug. . . . .	8,173,036	7,995,291	6,180,385
Sept. . . . .		8,221,153	6,414,531
Oct. . . . .		12,680,000	9,247,692
Nov. . . . .		14,435,210	11,553,625
Dec. . . . .		12,966,905	10,708,731

Totals . . . . . \$107,780,814 \$90,674,323

## FINANCIAL NOTES.

It is announced that Thos. B. McCaffrey, who has been manager of the Winnipeg branch of the Union bank for over three years, has resigned. Mr. McCaffrey was formerly manager of the Neepawa branch of the same institution. Geo. Bowles is assistant manager of the city branch.

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WINNIPEG.

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## For Sale.

A good paying general store business, in a first-class mixed farming district in Northwestern Manitoba, on the M. N. W. Ry. Stock about \$3,000.00. Store can be purchased or leased for any length of time. Apply to N. O. X., care of The Commercial, Winnipeg.

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A good boarding house with first-class custom, in Arden. General boarders, commercial and country trade. Formerly "Snelgrove House." Good reasons for desiring to sell. For terms apply to Mrs. Smith, proprietor, Arden, Man.

## For Sale.

For Sale—A good general store business in a thriving town in Southwestern Manitoba, situated on the Souris branch of the C. P. R., in the midst of a well settled and prosperous community. Stock \$4,000.00 to \$5,000.00. Buildings and grounds in fine shape, with newly built residence adjoining. If desired. Apply to T. H. J., Box 750, Winnipeg.

## For Sale.

A general store business, thoroughly established, in good town. Good will and lease of premises to right buyer. Address N. Y., care of Commercial.

## Tenders Wanted.

For purchase of Stock, Book Debts and Real Estate belonging to the estate of Sarago Bros., Revelstoke, B. C. Full particulars on application to J. B. Smith, Revelstoke.