bushels up to November 14th, or 13,300,000 bushels in excess of the preceding year's shipments.

Our foreign trade has not only reached, but has begun to exceed, the high-water mark of two years ago. In the six months ending September 30th, last, imports for consumption and exports of domestic products were of the value of $292,857,000, or $46,000,000 in excess of the corresponding period of the preceding year, imports having been larger by thirty-six millions and exports by ten millions. The adverse balance of trade has thus again begun to grow, but while men and money pour into Canada from abroad the disparity need not cause uneasiness. Domestic industries are, speaking generally, working well up to the limit of capacity. Labor is fully employed; the lumber trade has improved. The export of dairy produce has been larger than last year, with high prices ruling throughout the season; all farm products, indeed, are exceptionally dear.

Such tests as bank note circulation, bank clearings, railway earnings, all point to the great activity of business. At the end of October the note circulation exceeded $89,600,000, or $6,600,000 more than a year ago. Business failures have been neither numerous nor serious, being for the year to October 1st, 1,486, with liabilities of $12,919,000, as compared with 1,629 failures and liabilities of $16,959,000 in the previous twelve months.

Railway construction is proceeding apace over the whole face of the Dominion. West of Lake Superior nearly 1,100 miles have been built this year, and the Western Provinces now have 11,500 miles of railway, as much as the mileage of all Canada twenty years ago.

Immigration has picked up after the short relapse in 1908, the estimate of the number of new settlers this year being 150,000, about one-half of whom are experienced farmers who have moved into our North-West from the United States. The evidences of expanding trade, accumulating wealth, and material progress and development might be cited at great length, and a pleasant picture painted of our happy condition. There are always, however, dangers to be avoided, and never more so than when the outlook is so bright and inspiriting. A tendency to over speculation in real estate in some parts of Canada is already apparent, and this, like other forms of gambling, can bring only disaster when the inevitable crash comes. How suddenly conditions may change the rapid advance in the Bank of England rate last autumn attests. Only by prudence both in taking and granting credits and by avoidance of wild-cat ventures and exploitations on the high reputation Canada enjoys in the British money market, can we reasonably anticipate a continuance of the prosperity now enjoyed.

There is only one other observation I desire to make. As you are aware, the decennial revision of the Bank Act will take place during the present session of Parliament. In one or two respects changes of a more or less technical character will be found necessary, but the Act has been so thoroughly revised in the past, it withstood so staunchly the trials of 1907, and its operation has been found to conform so admirably to the requirements of trade and the interests of a rapidly developing country, that I hardly think it likely that any material change will be made.

In our note circulation we have a system which enables us by its elasticity to carry out the heavy autumnal demands without creating any monetary stringency; and to show how valuable it is to the whole business community, I need only point to the fact that we are moving the large crop in the North-West with great ease and without any advance in rates to our commercial customers.

I beg to move: "That the report of the Directors now read be adopted and printed for distribution among the shareholders."

This was seconded by Mr. E. B. Greenshields, and unanimously adopted.

Mr. H. Joseph then moved: "That the thanks of the meeting be presented to the President, Vice-President and Directors for their attention to the interests of the Bank."

Mr. C. J. Fleet seconded the motion, which was unanimously agreed to.

Sir Thomas G. Shaughnessy moved: "That the thanks of the meeting be given to the General Manager, the Assistant General Manager, the Inspectors, the Managers and other officers of the Bank for their services during the past year."

The motion was seconded by Mr. David Morrice, and was unanimously carried.

Sir Edward Clouston expressed acknowledgment on behalf of himself and fellow-officers.

The Directors.

The ballot for the election of directors was then proceeded with. The scrutineers appointed for the purpose reported the following gentlemen duly elected: R. B. Angus, A. Baumgarten, Sir Edward Clouston, Bart., Hon. Sir George Drummond, K.C.M.G., C.V.O., E. B. Greenshields, Charles R. Hosmer, Sir William C. Macdonald, Hon. Robert Mackay, David Morrice, James Ross, Sir Thomas G. Shaughnessy, K.C.V.O., The Right Hon. Lord Strathcona and Mount Royal, G.C.M.G., G.C.V.O.

At a meeting of the Directors, held later, the Right Hon. Lord Strathcona and Mount Royal, G.C.M.G., G.C.V.O., was elected Honorary President; Hon. Sir George Drummond, K.C.M.G., C.V.O., President, and Sir Edward Clouston, Bart, Vice-President.

CHINA LOOKING TO ITS CREDIT.

Stringent Banking Regulations Issued—All Banks to be Registered.

That China is seeking to place its credit upon a firmer basis is evident by the far-reaching reforms mooted by the Chinese government. The following provisional regulations have been issued by the Chinese Ministry of France with the imperial sanction for controlling the issue of Chinese bank-notes:—

The notes affected by these regulations are bank notes, whether printed or in writing, for integral sums, containing neither the name of the payee nor the date, nor place of payment, i.e., currency notes.

Notes in writing which include fractional amounts or which bear name of payee and the date and place of payment, i.e., cheques and drafts, do not come under these regulations.

Issue of Currency Notes

Before any bank is allowed to issue currency notes, five substantial guarantors must be obtained in the shape of other banks who will be bound to make good the value of the notes in the event of any loss. But officially established banks are not thus restricted.

Cash-shops with sign-boards, which issue cash notes, as well as other sorts of notes, are allowed temporarily to continue as before issuing notes, provided they can obtain five reliable mercantile firms to guarantee in case of loss to make good the value of the notes issued. But such cash-shops, in addition to sending in reports to the local officials for transmission to the Board as required by the rules of the Exchange Bureau, must obey the new regulations as regards all matters affecting the issue of notes.

All banks at present issuing bank notes and not registered shall, within six months from the date of the receipt of the despatch, at once take steps to collect the capital and must apply to the local authorities for registration at the Board. After the expiration of the time limit, the banks which have not thus applied for registration will be compelled to withdraw all their notes from circulation within a stated period and will be fined by the local officials in accordance with regulation No. 18.

All firms, other than banks, now issuing bank notes must gradually call in their whole issue by the end of the 5th moon of 1910. Those firms who have been unable to call in the whole issue within the time limit are allowed to establish banks separately from their business and to register such banks in accordance with the regulations.

No bank or firm carrying on a banking business, whether official or mercantile, opened for the publication of these regulations, shall issue bank notes.

After the publication of these regulations, those banks permitted to issue notes must not let their issue exceed the amount of notes at present in circulation.

Records of Circulation

Every bank or firm issuing notes must fill in, on a form prepared by the Board, the correct number of notes they have in circulation. The correct amount in circulation is to be calculated as the greatest amount in circulation on any day of the month following the publication of the regulations in each place.

Every bank, whether official or mercantile, shall have a reserve fund to the full amount of the notes issued. Such reserve fund shall consist of forty per cent. of ready money and sixty per cent. of government bonds, reliable shares, scrip or deposit notes. In order to facilitate inspection, this reserve fund must be kept separately in the treasury and the accounts must not be mixed up with the ordinary business of the bank.

All banks shall, beginning from next year, withdraw 20 per cent. of their notes from circulation every year and within five years from that date all the notes must have been called in.

Should any bank wish to call its notes in at once without waiting for the time limit to expire, such bank can arrange with the Ta Ch'ing Bank to deposit satisfactory securities and borrow a sum of money which can be repaid in annual instalments at a low rate of interest.

In the districts where a new coinage may hereafter be adopted, if there should be any issue of notes having an injurious effect on the subsidiary coinage (such for instance as