

REPORT OF THE DIRECTORS OF THE Bank of British North America Presented to the Proprietors at their Seventy-Second Yearly General Meeting.

The seventy-second yearly general meeting of the Bank of British North America was held on Tuesday, March 17th, at the office of the corporation, 5 Gracechurch Street, E.C. 4. Mr. E. A. Hoare presiding. The Secretary (Mr. A. G. Wallis) having read the notice convening the meeting and the auditors' report, the Chairman said: 'I will not occupy your time by reading the report, but will proceed at once to comment upon the principal items in the balance-sheet, making my comparison with the balance-sheet of December 31st, 1906. The reserve to which I shall refer again, is increased by \$20,000. It shows a decrease of \$254,000. This decrease is chiefly in the current accounts: interest-bearing deposits in Canada actually showed an increase compared with the previous year. You are already aware that throughout the year, and particularly towards the end of the year, there was a very keen demand for money in Canada, and not in Canada alone, but all over the world, and under these conditions we consider it most satisfactory that our deposits have held their own so well. In studying the annual reports sent home by our branch managers, I find the decline in deposits repeatedly explained by the attractions of sound investments, which, owing to the financial stringency, were to be purchased at most favorable prices, and also to the opportunities of lending money in the West upon mortgage at high rates of interest. Notes in circulation show a decrease of \$17,000. At no time during 1907 did the circulation expand to the level of 1906, owing to the condition of the harvest in the West, to which I shall refer later on. Bills payable and other liabilities, including provision for contingencies, show a decrease of \$80,000. This is an important reduction, due chiefly to the contraction of business in the United States during October, November and December, to which I shall have to make further reference later on. On the other side of the account cash and specie show an increase of \$219,000. The cash and specie, amounting to \$1,118,000, was equivalent to 13 per cent. of our immediate liabilities—that is, deposits payable on demand and note circulation—a percentage which shows an unusually strong position. Cash at call and short notice show a decrease of \$277,000. Investments show the following changes: In the interim balance-sheet to June 30th, 1907, we already had been informed that the sum which had been taken from the profits of the half-year with the object of writing down our holding of Consols in E. 3, at which figure they now stand in the balance-sheet, Dominion of Canada bonds show an increase of \$12,000, and new stand at \$157,000, with 97 as the book cost. Other securities have decreased \$15,000, and we are able to repeat the statement in the report of June 30th that the book cost is lower than the current market value. The total of the investments is \$2,900,000, lower than a year ago. Bills receivable and loans on security and other accounts show a decrease of \$284,000, and premises, after the transfer of \$25,000 from the profits, show a decrease of \$5,077. The work undertaken on premises during the year has not yet all been paid for, and there is still much to be done before we can feel satisfied that our branch premises have been brought up to the required standard. We can assure you that the money thus appropriated is most carefully spent, not for purposes of display, but simply to remedy the deficiencies of the bank's business. We have three branches at this moment

our loans as little as possible, but still from time to time, in the ordinary course of our business, it was necessary to make calls, and when this occurred the borrowers never failed to respond. In Canada, fortunately, contraction had commenced long before the time of trouble in the United States, a contraction which was by no means voluntary on the part of the community, but which was enforced by the banks. Some years ago of prosperity there had been the usual tendency to advance more rapidly than even the favorable conditions of the country justified, and even before the end of 1906 this had been evident to those whose business it is to preside over the banking institutions of the Dominion. The demand for money was kept before the close of 1906, and as the months passed on in 1907 there was a general stringency felt in every department of business. The resources of the banks throughout 1907 were employed up to the limit of safety, and they found it necessary to refuse additional advances, and strictly to hold their own. The result was that the money continued, and even increased, was indeed fortunate, for the result was that when the storm burst in the United States, Canada found herself in a safe position. The stringency of money continued, and even increased, with a consequent depreciation in the value of securities, and a decided check to mercantile business; but this condition of affairs did not come to them suddenly, and so, happily, although the trouble was very high at hand, the people remained calm and faced the situation with most commendable good sense. At no time was there any trace of panic in Canada. The banks did their utmost to supply all the legitimate needs of their customers, and the customers recognizing the wisdom of the situation, reduced their requirements in every possible direction. The result must be regarded as eminently satisfactory, and especially by the Dominion Government, which has now seen its banking system, originated with much care and skill, and subsequently elaborated with the assistance of the Bankers' Association, put to a most severe test, and emerging from it with complete success. The occasion may serve to illustrate the value of close and intimate consultation between the Government and the Bankers' Association, thus working harmoniously together for the good of the community. The wheat crop was a disappointment. Owing to the length and severe severity of the winter 1906-7, the crop was late and consequently exposed to early frost. It was at one time estimated that the total damage thus done to the crop, the results of the season to the farmer would be as good as in the preceding year. Owing to the greatly enhanced price of wheat, this hope can no longer be entertained, for there is no doubt that in many districts the damage done by frost was so extensive that even the high price ruling for good quality wheat could not compensate for the loss thus sustained. But, notwithstanding this disappointment, there is still considerable value in the wheat crop, and disappointment evidently does not mean discouragement, for it has been stated recently by the High Commissioner that the future progress and prosperity even more firmly than they stand at present. But this process may mean an interval of diminishing profits for us, and, consequently, we have been able this year to repeat the bonuses of last year, both to shareholders and to the staff, we do not wish to omit to calculate that additional distribution a year hence. We shall see our way more clearly as the months pass by and the harvest of 1908 is gathered in. With 5,000,000 acres under the plough in the three Central Provinces, as stated by the High Commissioner, the harvest of 1908 must be an important factor. If it should happily come to maturity and be garnered in good condition, it would be reasonable to expect that the foundation of future activity in the business of the whole country. I must not omit to refer to the opening of the Canadian Mint on January 2nd, when the first coin ever minted in Canada was struck by Earl Grey, the Governor-General, who said: "As a representative of His Majesty, I have much pleasure in declaring the Canadian branch of the Royal Mint open." More recently, on February 1st, Mr. Fielding, Minister of Finance, replying to a question in the Dominion House of Commons, said that the Mint would shortly be turning out 500,000 of the value of \$2,500,000. In the course of the year Mr. Tomkinson, at the request of the court, paid a visit to the New York and San Francisco offices, and to the branches of the bank in British Columbia and the Central Provinces; and Mr. Mayne Campbell, who returned to Canada in the summer, kindly made arrangements, at the request of the court, to visit some of the branches in Ontario which had not previously been brought within the itinerary of a visiting director, and we feel much indebted to both of our colleagues for their most valuable services, and now to propose that the report and accounts be adopted. (Applause.) Mr. Richard H. Glyn: I beg to second the resolution. The resolution was then put and carried unanimously. The Chairman: The following directors retire by rotation, and offer themselves for re-election: Mr. J. H. Whatman; Mr. G. C. W. Tomkinson is proposed by Mr. H. J. B. Kendall, Mr. J. H. Whatman, and Mr. H. Brodie. These nominations were formally approved. On the motion of Mr. Powell, seconded by Mr. Sturges, Mr. George South and Mr. Nicholas E. Waterhouse were re-elected auditors. The Chairman: That concludes the business before the meeting. Mr. Powell: I think we ought to pass a vote of thanks to the directors and staff. They have served us extremely well during the year. The resolution was carried unanimously, and the Chairman having acknowledged the compliment, the proceedings terminated.

THE BANK OF BRITISH NORTH AMERICA. BALANCE SHEET, 31st DECEMBER, 1907. Dr. To Capital \$ 4,500,000.00 To Reserve Fund 2,300,000.00 To Deposits and Current Accounts 2,882,482.48 To Bills Payable and other Liabilities 12,928,806.45 To Loans on Security and other Accounts 2,840,000.00 To Cash and Specie at Bankers and in hand 5,245,303.10 To Cash at call and short notice 8,124,700.25 By Investments—Consols 2,288,000.00 National War Loan 420,000.00 Dominion of Canada Bonds 1,442,918.00 Other Investments 406,078.03 By bills receivable, Loans on security, and other accounts 27,271,628.88 By Bank premises, etc., in London, and at Branches 743,000.42 By deposit with Dominion Government required by Act of Parliament 171,737.10

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.

TALKS ABOUT VAGABONDS. Sir W. S. Gilbert's Speech Before a London Club. In a speech to the Vagabond Club of London, Sir William Gilbert said he once asked the warden of a highly respectable but extremely dull city company why they did not give their entertainments by admitting ladies, and the abominable reply was that they were bound by charter to keep the entertainments respectable. (Laughter.) He rejoiced that the New Vagabond Club did not hold that disastrous view. The presence of ladies at banquets had the virtue attributed by the now defunct Eton Latin Grammar to a faithful study of the ingenious arts—it modified our manners and did not permit us to be atrocious. (Laughter.) It was the modest but otherwise unaccountable practice of clubs established for convivial purposes to designate themselves by deprecatory titles, which they would strongly resent if applied to them by other people. It had been his lot to dine, with the Savages, the Eccentrics, the Outsiders, the Pilgrims, the Gallery Boys, the Water Rats and now the New Vagabonds. As a magistrate it was sometimes his task to deal with vagabonds, and being an old vagabond himself he confessed a secret sympathy with that sort of culprit. As a broad academic principle every man should earn his own living, and it was immoral to depend on the exertions of others, but when a man was confronted with the serious question whether he would earn his living honestly or dishonestly, there was something to be said for him who sat on the fence and preferred to do neither. (Laughter.) He took a place on the cross benches of life's parliament and philosophically awaited developments. (Laughter and cheers.) Desert Life Items. Desert Lake, March 19.—The roads are in good condition; the people here are busy hauling summer wood, getting ready to go in the sugar bush and preparing for spring generally. E. H. Snook is operating a feldspar mine on the property of Mrs. W. Babcock. Mrs. James Wilson has recovered from her recent illness. Our school is progressing favorably under the management of Miss Paterson, Glenburnie. Farmers here say they are all right for fodder as they cut a quantity of marsh hay and did not keep any more stock than they could feed properly. E. Page got a bad kick from a colt while leading it to water. Albert Amey has bought a new organ. Mrs. Murphy is very poorly at present. W. Babcock is hauling wood to the feldspar mine. Sadie Snook has returned from visiting her sisters at the mining mine near Sydneyham. Miss Annie Wilson, Glenburnie, is visiting friends here.

THE WHIG'S JUMBLE. Tells About a Lot of Things in Short Meters. It must be a great relief to some men when their wives become widows. The Lord wants you to earn your wages before you ask for them. If a man could see himself as others see him he might be able to see his finish. "In case of sickness on Sunday" remember Gibson's Red Cross Drug Store is open all day. There were 9,914 new books published in 1907, or 1,311, more than for 1906. The fool is supremely happy unless he has just enough sense to know he is a fool. Don't neglect taking your bottle of spring blood medicine and buy it at Gibson's Red Cross Drug Store. Always fresh there. The cost of London's water supply to the consumers is represented by sixteen languages. Recently the Victorian railways authorities received 5,000 applications for 700 vacancies. Could you have better proof than to know physicians recommend the best from and wine, "Red Cross make," sold at Kingston only at Gibson's Red Cross Drug Store. IMPORTANT DIFFERENCE. Railways vs. Other Public Service Corporations. The present business situation throws into clear relief one important difference between railways and most other public service corporations. Street railways, waterworks, lighting concerns, etc., feel more or less the effects of fluctuations in general business, but they do not feel so acutely from such changes because the number of people in a city does not decrease and the extent to which they must use street cars, water and light does not greatly diminish, even when industrial depression becomes pronounced. But railways bear such a relation to industrial and commercial enterprises of all kinds that every crop failure, every panic that shuts down factories, every reduction in the sales of wholesale merchants, reacts violently on trade. The freight business of the railways of the United States has decreased enormously, as compared with the corresponding period a year ago. The railway carrying rates are regulated in order to make good the losses sustained in periods of depression. This consideration was advanced by transportation experts before almost every legislature and commission in the country last year as an argument against adjusting rates solely with regard to the traffic being handled at that time, but usually the argument was justly dismissed with the gratuitous assurance that the country's prosperity was established on such a firm foundation that nothing could happen that would disturb the business of the carriers. Subsequent events show clearly that the right. It is to be hoped that the lesson will teach public authorities to adjust rates in future with more regard to actual conditions and with less regard to theories formulated with a cheerful ignorance of, or contempt for, facts and probable developments. DISLIKES PAINTED FACES. King Edward Displeased at a New Fashion. It has just come to my knowledge, writes the New York Herald correspondent, that the king and queen were rather displeased at the number of women at the last court whose complexions bore obvious signs of artificial color. After several women, including some quite young girls, had passed, the king turned to the queen, and remarked how astonished he was that the young daughter of a celebrated peer should have come to court with a painted face. But of recent years this practice has become very general. When it was confined to middle-aged matrons anxious to preserve their fading charms, the king, who has large tolerance in such matters, did not make any remark, but it was easy to see he was shocked at the number of young women at last Friday's court, whose faces shone with rouge. It is very probable that some notice may be taken before the next court. There will be no gala performance of the opera this year, unless some prominent foreign ruler should decide to visit London at the eleventh hour. Both the Crown Prince and Crown Princess of Germany and the Crown Prince and Crown Princess of Sweden are expected to visit Windsor in the early part of the summer, when small dinner parties will be given in their honor, but they are not likely to come to London. Transmitted Snake Bite. Bell Mail Gazette. An extraordinary case of snake poisoning is reported from a country hospital in Victoria. An old man was brought in in a comatose state and showing all the symptoms of having been bitten by a venomous snake. But on investigation it was found he had been bitten by a dog, which died almost immediately after from snake bite. Medical treatment was successful, and the man gradually recovered from the snake poison which the reptile had indirectly transmitted to him. To Prevent The Grip. Laxative Bismuth Quinine removes the cause. To get the greatest benefit, call for full name and look for signature of E. W. Grove, 25c. Some women are capable of believing the things they want to when they know they don't believe them. In order to stay in the game it's up to a married baseball player to make a home run occasionally.

What Everybody Has Been Expecting and Looking For. A Record Sale for the New "Writing in Sight" L. C. SMITH & BROS' TYPEWRITER. We have just closed our first 3 Years' Business. We have SOLD over 1,400 Machines in Canada. We hold the biggest record for the sale of any Typewriter placed on the Canadian Market. Have you seen our new Ball-Bearing Type Bar? Our Opponents said we "Couldn't do it," "WE DID." It will be money in your pocket to look at it. Let us demonstrate it to you. Newsome & Gilbert, Limited, No. 9 Jordan St., Toronto. Branches—Halifax, N.S., Ottawa, Ont., Winnipeg, Man. LOCAL AGENTS: NEWMAN-SPRIGGS ELECTRIC CO., 79 Princess Street, Kingston, Ont. A Full Stock of Typewriter Supplies for all makes of Machines always on hand. We have a large stock, all makes, 2nd hand Typewriters; sold on easy terms. Ripe Bananas, Pineapples, Tomatoes, Tangerines, Malaga Grapes. ORANGES CHEAPER THAN EVER. A. J. REES, 166 Princess St.

You Are Cordially Invited to Inspect the Latest Ideas in SPRING SUITS. Over 100 distinct models. Blouses. In Muslin, Silk and Net. Prices 68c to \$22.00 each. Spring Coats. All new this spring, \$4.98 to 15.00. Silk Coats. 36 different styles, \$15.00 to 35.00 each. Voiles. The crisp, firm weaves are very much in demand. We show a full range of these styles at 60c, 75c, 90c, \$1.00, 1.25, 1.50 yard. New Black Dress Goods. In the very latest Paris styles, plain and fancy weaves. Prices 50c to \$3.00 yard. We can recommend the color of any Black Goods we sell. The 3/4 Length Gloves. Will be much worn this season. KIDS in Tans, Black, White, \$1.50, 1.75, 2.00, 2.25, 2.50, 2.75. SILK, in Black and White, 50c, 75c, \$1. LISLE AND SUEDE, 50c, 60c, 75c. LACE, 25c, 35c, 50c, 60c. R. Waldron. What Everybody Has Been Expecting and Looking For. A Record Sale for the New "Writing in Sight" L. C. SMITH & BROS' TYPEWRITER. We have just closed our first 3 Years' Business. We have SOLD over 1,400 Machines in Canada. We hold the biggest record for the sale of any Typewriter placed on the Canadian Market. Have you seen our new Ball-Bearing Type Bar? Our Opponents said we "Couldn't do it," "WE DID." It will be money in your pocket to look at it. Let us demonstrate it to you. Newsome & Gilbert, Limited, No. 9 Jordan St., Toronto. Branches—Halifax, N.S., Ottawa, Ont., Winnipeg, Man. LOCAL AGENTS: NEWMAN-SPRIGGS ELECTRIC CO., 79 Princess Street, Kingston, Ont. A Full Stock of Typewriter Supplies for all makes of Machines always on hand. We have a large stock, all makes, 2nd hand Typewriters; sold on easy terms. Ripe Bananas, Pineapples, Tomatoes, Tangerines, Malaga Grapes. ORANGES CHEAPER THAN EVER. A. J. REES, 166 Princess St.