

ANNUAL REPORT

OF THE

Bank of New Zealand

For the Year ended 31st March, 1930

AND

REPORT OF PROCEEDINGS

AT THE

ANNUAL MEETING OF PROPRIETORS

On 20th June, 1930



AUCKLAND:

Wilson & Horton Limited, Printers, Queen and Wyndham Streets

1930.

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Bank of New Zealand

Incorporated by Act of the General Assembly, 29th July, 1861.

BANKERS TO THE GOVERNMENT OF NEW ZEALAND.

AUTHORISED CAPITAL.

Four per cent. Stock Guaranteed by New Zealand Government	£529,988
Preference A Shares—500,000 at £1	500,000
C Long-Term Mortgage Shares—468,750 at £1	468,750
D Long-Term Mortgage Shares—937,500 at £1	937,500
Preference B Shares—1,375,000 at £1	1,375,000
Ordinary Shares—3,750,000 at £1	3,750,000
	<u>£7,561,238</u>

SUBSCRIBED CAPITAL.

Four per cent. Guaranteed Stock	£529,988
Preference A Shares issued to the New Zealand Government	500,000
C Long-Term Mortgage Shares issued to the New Zealand Government	234,375
D Long-Term Mortgage Shares	468,750
Preference B Shares issued to the New Zealand Government	1,375,000
Ordinary Shares	3,750,000
	<u>£6,858,113</u>

CAPITAL PAID UP.

Four per cent. Guaranteed Stock	£529,988
Preference A Shares	500,000
C Long-Term Mortgage Shares	234,375
D Long-Term Mortgage Shares	468,750
Preference B Shares	1,375,000
Ordinary Shares	3,750,000
	<u>£6,858,113</u>
Reserve Fund	£3,550,000
Undivided Profits	623,156
	<u>4,173,156</u>
	<u>£11,031,269</u>

Bank of New Zealand

HEAD OFFICE, WELLINGTON, NEW ZEALAND.

DIRECTORS:

(Four appointed by New Zealand Government; two elected by Shareholders.)

SIR GEORGE ELLIOT (CHAIRMAN)	
SIR HAROLD BEAUCHAMP	RICHD. W. GIBBS
OLIVER NICHOLSON	WM. REECE
WM. WATSON	

GENERAL MANAGER:

SIR HENRY BUCKLETON.

LONDON OFFICE - 1 QUEEN VICTORIA STREET, E.C. 4.

LONDON BOARD:

CECIL LUBBOCK (CHAIRMAN).	
ADMIRAL OF THE FLEET THE RIGHT HON. EARL JELlicOE, G.C.B., O.M., G.C.V.O.	
ALEXANDER KAY	ALEXANDER MICHIE
SIR JAMES MILLS, K.C.M.G.	

BANKERS:

BANK OF ENGLAND.
MIDLAND BANK, LTD.

LOCAL DIRECTORS IN AUSTRALIA:

Melbourne: SIR JOHN HIGGINS, K.C.M.G.
Sydney: THE HON. SIR HENRY BRADDON, K.B.E., M.L.C.

Chief Auditor:

A. R. W. P. GREEN (Appointed by N.Z. Government).

London Auditor:

W. G. SNEATH (Appointed by N.Z. Government).

REPORT OF THE DIRECTORS.

The Directors submit herewith the Balance Sheet and Profit and Loss Statement of the Bank for the year ended 31st March last.

The profits, after providing for expenses of management, all bad and doubtful debts, and other contingencies, and after making provision for the annual donation to the Provident Fund, also for Bonus to Staff, are:—

From this has to be deducted:—		
Interest on Guaranteed Stock	21,199	8 6
<hr/>		
Leaving Balance of Profit for the year	948,534	0 4
To which has to be added:—		
Balance brought forward from last year	617,591	7 11
	<hr/>	<hr/>

1,566,125 8 3

From which has been paid:—

Dividend on Preference A Shares	£50,000	0 0
Interim Dividend on C Long - Term Mortgage Shares	7,031	5 0
Interim Dividend on D Long - Term Mortgage Shares	17,578	2 6
Interim Dividend on Preference B Shares	41,666	13 4
Interim Dividend on Ordinary Shares	250,000	0 0
	<hr/>	<hr/>
	366,276	0 10

Leaving available for distribution

1,199,849 7 5

This the Directors propose should be disposed of as follows:—

Dividend on C Long - Term Mortgage Shares at 6 per cent. per annum	£7,031	5 0
Dividend on D Long - Term Mortgage Shares at 7½ per cent. per annum	17,578	2 6
Dividend on Preference B Shares (making £162,500 for the year)	120,833	6 8
Bonus on Preference B Shares	18,750	0 0

Dividend of one shilling and fourpence per share on Ordinary Shares (making £500,000 for the year, equal to two shillings and eightpence per share)

250,000 0 0

Bonus of 1 per cent. on Ordinary Shares

37,500 0 0

Transfer to Reserve Fund (making £3,550,000)

125,000 0 0

Leaving Balance to be carried forward

623,156 13 3

£1,199,849 7 5

During the year Agencies have been opened at Aria, Customs Street East (Auckland), Duvauchelles Bay, Green Island, Karori (Wellington), and Te Kauwhata.

GEORGE ELLIOT, Chairman.

BANK OF NEW ZEALAND

BALANCE SHEET AT 31st MARCH, 1930.

LIABILITIES.				ASSETS.			
	£	s.	d.		£	s.	d.
CAPITAL—				COIN, CASH BALANCES, AND DEPOSITS WITH BANKERS			
4 per cent. Guaranteed Stock ..	529,988	10	6				6,763,601 12 9
Preference A fully paid £1 Shares issued to the New Zealand Government ..	500,000	0	0	Government Notes—Commonwealth, Fijian, and Samoan Administration ..			101,057 10 0
C Long-Term Mortgage fully paid £1 Shares issued to the New Zealand Government ..	234,375	0	0	Notes of Other Banks (Legal Tender) ..			27,009 0 0
D Long-Term Mortgage fully paid £1 Shares ..	468,750	0	0	Balances Due by Other Banks ..			76,391 4 8
Preference B fully paid £1 Shares issued to the New Zealand Government ..	1,375,000	0	0	Bullion on Hand and in Transit ..			9,201 15 1
Ordinary fully paid £1 Shares ..	3,750,000	0	0	Money at Call and Short Notice, Government Securities and Other Securities in London	4,215,814	1	6
				Bills Receivable in London and in Transit	2,527,685	3	2
Reserve Fund ..			6,858,113 10 6	New Zealand Government Securities ..			6,743,499 4 8
Long-Term Mortgage Debenture Stock ..			3,425,000 0 0	Australian Government Securities ..			4,008,886 5 7
Notes in Circulation ..			102,550 0 0	Municipal and Other Local Bodies' Securities			3,462,126 2 4
Deposits ..			3,754,948 10 0	Bills Discounted ..			1,693,949 14 9
Balances Due to Other Banks ..			33,897,608 17 4	Other Advances and Securities and Debts Due to the Bank, after Deducting Provision for Bad and Doubtful Debts ..			27,415,638 16 8
Bills Payable and Other Liabilities (including provision for contingencies) ..			86,682 16 11	Remittances in Transit between Branches Landed Property, Premises, etc. ..			1,431,380 1 11
Reserve for Taxes ..			4,856,366 17 7	Liabilities of Customers for Acceptances, per contra ..			579,870 14 4
London Office Acceptances under Credits ..			426,000 0 0	Long-Term Mortgage Department ..			167,446 17 9
Balance of Profit and Loss ..			167,446 17 9				1,124,862 0 6
			1,199,849 7 5				£54,774,566 17 6
			<u>£54,774,566 17 6</u>				<u>£54,774,566 17 6</u>

LONG-TERM MORTGAGE DEPARTMENT.

LONG-TERM MORTGAGE FUND—				LOANS			
	£	s.	d.		£	s.	d.
Capital ..			703,125 0 0				1,124,862 0 6
Debenture Stock ..			102,550 0 0				<u>£1,124,862 0 6</u>
Transfers from Bank ..			319,187 0 6				<u>£1,124,862 0 6</u>
			<u>£1,124,862 0 6</u>				<u>£1,124,862 0 6</u>

PROFIT AND LOSS.

DIVIDENDS AND INTEREST				PROFITS			
	£	s.	d.		£	s.	d.
Dividend on C Long-Term Mortgage Shares ..	7,031	5	0	Balance at 31st March, 1929 ..			1,344,284 2 1
Dividend on D Long-Term Mortgage Shares ..	17,578	2	6				<u>617,591 7 11</u>
Dividend on Preference B Shares ..	120,833	6	8				<u>£1,344,284 2 1</u>
Bonus on Preference B Shares ..	18,750	0	0	Balance brought down ..			617,591 7 11
Dividend on Ordinary Share Capital ..	250,000	0	0	PROFITS for year ended 31st March, 1930, including recoveries, and after payment of and provision for, all interest due and accrued on deposits, provision for bad and doubtful debts and other contingencies, for the annual donation to the Provident Fund, also for Bonus to Staff	2,013,526	8	4
Bonus on Ordinary Shares ..	37,500	0	0				<u>2,013,526 8 4</u>
Amount Transferred to Reserve Fund ..	275,000	0	0	LESS—			
			726,692 14 2	Salaries and Allowances at Head Office and 244 Branches and Agencies ..	491,756	19	6
Balance carried down ..			617,591 7 11	Directors' Remuneration, including London Board and Local Directors in Australia ..		10,233	6 8
			<u>£1,344,284 2 1</u>	General Expenses, including rent, stationery, telegrams, postages, travelling, repairs to premises, etc.	179,892	11	9
Twelve Months' Interest on Guaranteed Stock ..			21,199 8 6	Audit Expenses Account ..		2,862	10 0
Dividend Paid 7th December, 1929:—				Rates and Taxes ..	359,047	11	7
On Preference A Shares ..	50,000	0	0				1,043,792 19 6
On C Long-Term Mortgage Shares ..	7,031	5	0				969,733 8 10
On D Long-Term Mortgage Shares ..	17,578	2	6				<u>£1,587,324 16 9</u>
On Preference B Shares ..	41,666	13	4				<u>£1,587,324 16 9</u>
On Ordinary Shares ..	250,000	0	0				
			366,276 0 10				
Balance, being Profit for the Year ..	948,534	0	4				
To which has to be added:—							
Amount brought forward from last year ..	617,591	7	11				
	1,566,125	8	3				
Less Dividend paid as above ..	366,276	0	10				
			1,199,849 7 5				
			<u>£1,587,324 16 9</u>				

RESERVE FUND.

	£	s.	d.
Balance	3,550,000	0	0
Amount to be added from Profits for year ended 31st March, 1930	125,000	0	0
Balance per last Statement	3,425,000	0	0
Amount to be added from Profits for year ended 31st March, 1930	125,000	0	0
	£3,550,000	0	0

1. Arthur Richard Wenman Pennefather Green, the Chief Auditor of the Bank of New Zealand do hereby certify:—

1. That, having carefully examined the foregoing balance-sheet and statements, I am satisfied that they have been correctly compiled from the books and accounts of the Bank.
2. That I am also satisfied that the said balance-sheet is a full and fair balance-sheet, properly drawn up, and exhibits a true and correct view of the state of the Bank's affairs at the date thereof.
3. That I have verified so much of the cash, investments, securities and assets of the Bank as at the date of the said balance-sheet were held at the Head Office, in Wellington, and have had access to certified returns of so much thereof as were then held at the various Branches and Agencies of the Bank, or were then in transit.

Dated this 29th day of May, 1930.

A. P. GREEN, Chief Auditor.

We hereby certify that, having carefully examined the foregoing balance-sheet and statements, we are satisfied that they have been correctly compiled from the books and accounts of the Bank, and that the balance-sheet is a full and fair balance-sheet, properly drawn up, and exhibits a true and correct view of the state of the Bank's affairs at the date thereof.

Dated this 28th day of May, 1930.
H. BUCKLETON, General Manager.
H. H. FEATHERSTONE, Accountant.

BANK OF NEW ZEALAND.

ANNUAL MEETING OF PROPRIETORS.

HELD AT

Wellington on 20th June, 1930.

SIR GEORGE ELLIOT, Chairman of Directors, presided, and said:—

LADIES AND GENTLEMEN,—

I presume we may to-day follow the usual custom at our annual meetings and take the Report and Balance Sheet as read. (Agreed).

I have pleasure in moving the adoption of the Report and Balance Sheet and in doing so will take the opportunity of drawing your attention to those items in the Balance Sheet that call for special mention.

CAPITAL.

No alteration has taken place in the Capital of the Bank during the year.

RESERVE FUND.

It is proposed to add £125,000 to the Reserve Fund this year as against £275,000 last year, when the unusually large amount of £212,000 of Recoveries (provision previously made for certain bad and doubtful advances) was found not to be required and was brought into the profits. With this addition the reserve fund will stand at £3,550,000.

SHAREHOLDERS' FUNDS.

The total shareholders' funds, as shown in the Balance Sheet, viz: Capital, Reserve and Undivided Profits, now amount to £11,031,269: such a position must bring to depositors and customers alike a comfortable assurance of the strength and stability of the institution.

LONG-TERM MORTGAGE DEBENTURES.

In October last we placed on the local market an issue of £300,000 of Long-Term Mortgage Debenture Stock, maturing 1st August, 1939, at an interest rate of 5½% per annum.

Applications for £102,550 were received, but as the Government then issued a loan in the Dominion at 5½%, we withdrew the balance unapplied for. Whenever the market becomes favourable we shall make a further issue to meet the requirements of the Department.

DEPOSITS.

This item shows a decrease of £42,043.

Fixed Deposits have increased £2,357,154, almost entirely in very large short-dated deposits which, being subject to early withdrawal, cannot be safely utilised for ordinary advances.

Current Account deposits have decreased £2,399,197, owing mainly to customers drawing on their balances to meet conditions arising out of the unfavourable export season.

The Government 5½% Loan placed on the New Zealand Market last January has also resulted in the withdrawal of a large sum from the Bank.

PROFIT AND LOSS ACCOUNT.

The actual net earnings for the period under review are well in excess of the figures for the previous year. In view, however, of existing conditions it has been deemed advisable to make much larger provision than usual for doubtful advances, though we are hopeful that a considerable portion of the amount set aside will not be required.

During the greater part of the year we had a large amount of funds employed in London on which we obtained much higher rates than usual, and profits have been further augmented owing to increase in our advances.

COIN, CASH BALANCES, AND DEPOSITS WITH BANKERS.

These items are £408,539 less than last year. As over two millions of New Zealand and Australian Government Securities are falling due before the end of this

year, it was not worth while selling any of them to replenish cash balances that were sufficiently large for our immediate requirements.

MONEY AT CALL AND SHORT NOTICE, GOVERNMENT SECURITIES AND OTHER SECURITIES IN LONDON, BILLS RECEIVABLE IN LONDON AND IN TRANSIT.

The reduction of £5,715,719 in these assets indicates most clearly the acuteness of the London Exchange position and the necessity in good times of building up ample reserves in London against the "lean years" which sooner or later are bound to come.

INVESTMENTS.

Our holdings of British, Australian and New Zealand Government Securities, and Debentures of New Zealand Local Bodies, stood in our books on balance date at £12,749,069, a figure well under the market value.

ADVANCES AND BILLS DISCOUNTED.

These items show an increase of £6,268,132, over four and a half millions of which are in respect of business within the Dominion. This is the largest expansion shown in any one year since 1924, when advances and discounts rose by eleven millions to £30,500,000. The position has been brought about, just as it was in 1924, by a shrinkage in the value of Dominion exports coupled with an over-importation of goods.

It is probable that advances may further increase until next season's produce returns become available, and until the effect of a lower scale of importation makes itself felt.

No applications for safe and legitimate accommodation have been refused but in view of the unsatisfactory outlook it has been necessary to use the strictest discrimination in lending.

Apart from the large amount of our direct advances to Farmers and their various organisations, we have rendered the farming industry indirect assistance by taking up £880,000 of Rural Advances Bonds.

A large amount of the Bank's resources are kept in liquid and readily realisable securities, consequently there is no need for us to curtail the accommodation we have been affording our customers.

All advances have been thoroughly scrutinised and full provision has been made to cover probable and possible losses.

DIVIDEND AND BONUS.

The Dividend and Bonus proposed is at the same rate as that of last year and will be payable in Wellington to-morrow and at Branches on receipt of advices.

The total distribution for the year will be:—

To New Zealand Government ..	£245,312
To Ordinary Shareholders ..	572,656
	<hr/>
	£817,968

WHAT THE STATE DERIVES FROM THE BANK.

It may interest you to know that the revenue derived by the Government from this Bank for the year amounted to £540,154, made up as follows:—

Dividends on Share Capital ..	£245,312
Income Tax	168,561
Land Tax	17,996
Note Tax	108,285
	<hr/>
	£540,154

It may be added in this connection that we hold £3,391,160 of 4½% New Zealand War Loans on which no tax is payable.

You will therefore note that the Shareholding interest which the Government acquired in the Bank on coming to its assistance in 1894, has proved most remunerative; its value in the goodwill of the Bank was estimated by the late Right Hon. W. F. Massey, when Prime Minister, at £2,500,000.

BOARD OF DIRECTORS.

Sir Harold Beauchamp and Mr. Oliver Nicholson, two Government nominees whose term of office expired in March last, were reappointed to the Board of Directors for a further term of three years.

The term of office of Mr. Watson, who is one of the two representatives of the Ordinary Shareholders on the

Board also expired in March, and he was re-elected unopposed to the position he has occupied for so many years.

Mr. Watson has been granted leave of absence to enable him to visit England. He left the Dominion in April and while in London will be associated with the London Board.

The term of office of Mr. R. W. Gibbs, the other representative of the Ordinary Shareholders, will expire in March next: it is his intention to offer his services again as a Director.

LONDON BOARD.

We once more place on record our appreciation of the care and attention devoted by the London Board to the Bank's interests.

In the survey last year reference was made to our having secured the services of Mr. Cecil Lubbock as a member of the London Board. I am now pleased to announce that Mr. Lubbock has seen his way to accept the position of Chairman.

As you are aware, Mr. Lubbock was Deputy Governor of the Bank of England for some years, and his knowledge of London banking methods and of finance generally should be of considerable value to the Bank.

Mr. Alex. Michie, who was appointed Chairman of the London Board after the death of the late Mr. Frederic Lubbock, relinquished the position, at his own request, on 31st December last.

I desire to express our appreciation of the able and efficient manner in which Mr. Michie discharged the duties during his term of office as Chairman.

LOCAL DIRECTORS—SYDNEY AND MELBOURNE.

Mr. Alex Jobson has found it necessary, for business reasons, to relinquish his appointment as a Local Director in Sydney.

We desire to record our thanks to Sir Henry Braddon, and also to Mr. Jobson, for the attention they have given to the interests of the Bank in Sydney.

Our thanks are also due to Sir John Higgins, Local Director in Melbourne, who has, during the year, devoted himself assiduously to the duties of his office.

STAFF.

The Directors take this opportunity also of expressing their appreciation of the work and conduct of the staff during the year just ended.

A bonus, similar to that of recent years, has been paid to members of the staff and other employees of the Bank. This payment will, I feel sure, meet with your entire approval.

SIR JOSEPH WARD.

As the Government has a substantial shareholding interest in the Bank, it is fitting that reference should be made to the recent relinquishment by the Right Hon. Sir Joseph Ward, of his office as Prime Minister of the Dominion, by reason of ill-health. We join in the universal expressions of regret which have been voiced regarding his retirement, and we concur in the appreciative references which have been made to the distinguished services rendered to the Dominion and the Empire in the course of his active political career. We trust that, relieved from the cares of public office, he will be spared many years to enjoy a well-earned rest and to witness the beneficial results of his official services.

RATES OF INTEREST.

Fixed Deposit rates current at the time of our last Annual Meeting were as follows:—

From 3 to under 12 months	..	3½%
From 12 to under 24 months	..	4%
24 months	..	4½%

To stem the outflow of deposits which subsequently took place, the following alteration in rates was made on 1st of February by all Banks trading in New Zealand:—

From 12 to under 24 months	..	4½%
24 months	..	5%

and on the 24th April, the following adjustment was made and is still in operation:—

3 to under 6 months	..	..	3½%
6 to under 12 months	..	..	4%
12 to under 24 months	..	..	4½%
24 months	..	..	5%

To synchronize with the increase in the interest rate for deposits, the minimum advance rate was increased on the 1st of February from 6½% to 7%.

So far as primary producers are concerned, the high premium being paid by the Banks for London Exchange will more than compensate them for the increase in the overdraft rate.

It may interest you if I quote the fluctuations that have taken place in the Bank of England discount rate for the last 12 months.

In June of last year it was	..	5½%
In September it was increased to	..	6½%
It decreased in October to	..	6%
in November to	..	5½%
in December to	..	5%
in February last to	..	4½%
on 6th March to	..	4%
on 20th March to	..	3½%
and last month to	..	3%

Comparison is sometimes made between the Bank of England discount rate and advance rates ruling in New Zealand, but, as conditions are entirely different, no comparison or inference can fairly be drawn.

During the war period, and for some time after, the minimum overdraft rate in New Zealand was 5½%. For a portion of that time the Bank of England rate was 7%, and British Treasury Bills yielded 6½%. As a matter of fact, a low Bank Rate in London is not conducive to a low rate here, for New Zealand and Australian Bank profits are adversely affected by a low rate obtainable on their accumulated funds in London.

EXCHANGE.

In considering the exchange question, it will be necessary to draw your attention to conditions existing in Australia as well as in this Dominion.

For several months past Australia has been experiencing a period of severe financial exchange difficulty. Her accumulated funds in London have been seriously depleted, and importers are finding it no easy task to arrange for payment of imports. The cost of London credits, following the inexorable law of supply and demand, has increased to an extent unknown a few years

ago, involving a heavy burden on importers and their customers.

A year ago the cost of telegraphic transfer, Australia to London, was 1%; it has increased by stages until officially it stands at 6½%, although as much as 8½% has in some instances been paid to private sellers.

This state of affairs has been brought about mainly by the slump in export values of primary products, but a collapse in values is by no means the only cause. The inability of the Commonwealth Government to borrow abroad, (except at excessively high rates) the fresh funds necessary for development purposes and to provide for rapidly increasing interest charges, has immensely aggravated the exchange position.

As a means to the curtailment of imports, the Australian Government has largely increased Customs duties, but until this practically prohibitive increase has taken effect and prices of produce materially improve, the Australian London Exchange position is unlikely to ease.

It is claimed by certain Australian Bankers that there was no need for such drastic action on the part of the Government, since the Banks were controlling the position by regulating exchange rates so that equilibrium would in time have been thereby attained.

There is much in favour of this contention, for exchange rates would necessarily have been raised until a balance was arrived at, and exporters of primary products would have materially benefited. For instance, at the present moment, with the telegraphic exchange rate in London at 6½% in favour of the Australian exporter, for every £100 worth of Australian products shipped to London the exporter receives £106 2s 6d, and this extra £6 2s 6d per cent. to that extent compensates him for the serious drop in values that has recently taken place.

New Zealand, for a period of seven years ended 31st March, 1929, had an excess of exports over imports of £36,526,581, an excess which has materially assisted to preserve her financial equilibrium. In the same period, however, her interest on external loans amounted to over £45,000,000.

During last year interest charges payable in London have been increased considerably by interest on new

loans and by increased interest on renewed maturing loans.

The New Zealand exchange position with London is at present at 5% premium for selling telegraphic transfers,—a situation brought about to some extent by our relationship with Australia, but chiefly by diminution in the value of our exports.

In 1924, New Zealand telegraphic exchange on London stood at a selling premium of 3%, a figure that had not been equalled for many years. This was owing to abnormal conditions then ruling. In that year imports exceeded exports by £19,263,910. Although for the year ended March last imports were near a parity with exports, as disclosed by the figures of the Customs Department, it is certain that the amount actually realised for our exports has been very much less than the value declared at time of shipment. It must also be remembered that interest amounting to something like £8,200,000 on Government and Local Body Loans raised in London, has annually to be paid there. Under such conditions, the exchange position will be difficult for some time to come.

A number of importers who must take advantage of seasonal offerings, calculating their requirements on last year's business, have apparently over-purchased, and the goods may have to remain on their shelves for some time, or be disposed of at a loss.

You no doubt noticed that in recent Government statements, the public revenue from Customs duties for the financial year ending 31st March was considerably greater than was anticipated; it appears, therefore, that with large stocks on hand, importations during the coming year—and as a consequence, Government revenue—must be considerably lessened, unless unforeseen circumstances arise.

We have been able to supply all our own customers' exchange requirements, and anticipate being able to continue doing so, though our resources in London have been considerably depleted, due largely to exceptional transactions on account of our Government.

Notwithstanding the fact that the present London exchange rate is extremely high, the position in New Zealand is relatively stable when compared with that of

certain other countries, where exchange fluctuates from day to day, rising and falling to an extent unusual in purely British communities.

GOVERNMENT LOANS.

Since our last Annual Meeting the New Zealand Government has floated two loans in London, one of which was issued in September of last year for the conversion of part of the balance (£9,703,132) of an old 4% Consolidated Loan maturing 1st November last. Of this amount £4,750,000 was paid in cash and the balance of £5,000,000 converted, at an interest rate of 5%. The purchase price was £98 per cent. and the loan matures 1st July, 1945. Allowing for charges, redemption premium and expenses, the interest cost to the State over a period of 16 years will be £5 7s 8d per cent.

The other was for £5,500,000, and was raised last month. The rate of interest was 5%, currency 20 years and issue price £99.

This last loan was obtained at a slightly better price for the Dominion than the previous loan and was heavily over-subscribed by the British public, the total number of applications being 21,850, and the amount applied for aggregating £19,577,800.

This is a clear indication of New Zealand's popularity in the Mother Country and everything possible should be done to foster and extend that popularity.

Besides these two loans issued in London, a further loan is being raised locally. The issue price is 5½% at par with a currency of 7 years. It is understood that a considerable amount of Australian money has been invested in this loan.

THE BALANCE OF TRADE.

Most of you will have seen references in the newspapers to the fact that for the year ended 31st March, 1930, our exports, £49,045,817, were slightly less than our imports, £49,167,914. The previous year showed an excess of exports over imports of no less than £12,048,478.

The bare figures of our exports and imports for any period do not give a wholly correct indication of the Dominion's financial relationship with the rest of the

world. Many other factors have to be taken into account. These are frequently referred to as "invisible" exports and imports.

It may be thought that in the case of a country like ours these "invisible" items are small and make little difference to the total. That is, however, not the case.

The largest single item in the nature of invisible imports is the interest paid on the various Government and Local Body Loans which have been raised overseas. Interest on these loans has to be paid in exactly the same way as imports have to be paid for. The amount involved for the year ended 31st March 1929, was made up as follows:—

Interest on Government Loans payable in London	£6,698,389
Interest on Government Loans payable in Australia	269,430
Interest on Local Body Loans payable in London or Australia	1,319,000
	<hr/>
	£8,286,819

New Loans which are raised abroad—other than purely conversion or redemption operations, constitute a contra to these payments. When a loan, which is not a conversion or redemption loan, is raised overseas, New Zealand receives money in the same manner as it does when produce is sold.

Other items which tend to make the trading figures confusing as a guide to the Dominion's conditions are the expenditure by our own people on holiday abroad and the corresponding item of expenditure in New Zealand by visiting tourists.

While the foregoing are probably the largest invisible items in our National Account of Receipts and Expenditure, there are numerous other items all of which affect the ultimate balance and of which no statistics are available. The majority of the Insurance Companies and Banks doing business in New Zealand are overseas Corporations. In so far as their premium monies or incomes are unequal to their expenses and losses in the Dominion, the balance has to be adjusted eventually by a transfer of funds to or from their respective head

offices. Our overseas shipping also is to a large extent handled by English Companies. Freight paid in New Zealand, so far as they are not expended in the Dominion in wages and payments for local services, and stores, have to be transferred overseas and are therefore invisible imports.

PRIMARY INDUSTRIES.

The past year has been noteworthy because of the fall in the prices received for our wool.

In advancing reasons for this state of things, change of fashion in clothing, the discarding to a large extent of woollen underwear, the introduction in recent years of artificial silk, together with the great increase in production that has taken place in wool-producing countries, are all factors that must be kept in mind.

The world production of Rayon, or artificial silk, was estimated by the "Silk Journal and Rayon Weekly" to be 412,000,000 lbs. in 1929, as against 345,000,000 lbs. in 1928.

These are large figures for a product which not so many years ago was practically unknown on a commercial scale, and amount to very nearly twice the weight of this Dominion's annual wool clip.

Almost the whole output of Rayon has been used for the purposes for which wool, cotton and pure silk were previously used.

Yet the world production of wool has not remained constant but has steadily increased.

As compared with the average pre-war year, last year's world production has increased nearly 20%.

The Government Statistician has been good enough to supply his estimate of our wool clip for this last season. It amounts to 245,000,000 pounds, and compares with preceding seasons as follows:—

Season 1927 ..	..	226,032,000 lbs.
.. 1928 ..	..	234,259,000 lbs.
.. 1929 ..	..	243,056,000 lbs.

In connection with these figures, the Year Book states that no addition has been made for wool on sheepskins exported, nor for loss in scouring or washing. If these were added, the weight of New Zealand's production for 1929 would probably total 260 million pounds.

Russia, a purchaser of wool in the past, is making every effort to become a self-contained unit, and large numbers of stud sheep have been imported from Australia for the purposes of building up national flocks. The Bank of Russian Trade in its "Review" for March, 1930, makes the following comment:—

"It is anticipated that the shortage of woollen cloth which has been experienced in the Soviet Union" "since the war will exist to a much smaller extent at" "the end of the five-year period covered by the plan, but" "imports of wool will still continue since the measures" "taken for the increase of sheep-raising will not produce their full effect until some years after 1933."

If the expectations of the Soviet Government are realised, then Russia will annually become a smaller purchaser of wool and eventually will cease to be a purchaser altogether.

From a Dominion point of view it is fortunate that the fall in the price of wool has been offset to some extent by increased production.

Some of our growers, considering that the present depression is more or less temporary, have held their clips and propose selling when prices improve. Time alone will prove the wisdom or otherwise of such a policy.

If wool growers are facing a cycle of falling markets, the holding over of wool to next season may accentuate the possibility of a further fall, assuming that next year's world clip is as large as this year's.

In other countries substantial quantities of wool are unsold. The Bank of London and South America Ltd., writing in March, stated that there were 9,000 tons of unsold wool in the central market at Buenos Aires, as against 4,000 tons at the same date in the previous year. Their Bahia Blanca branch stated at the same date, "Present stock is said to be 2,114,873 kilos as against 416,318 kilos at this time last year." Other branches of the same Bank report similarly. The Monte Video (Uruguay) Branch stated that the total clip was approximately 145,000 bales, of which 107,000 were unsold.

During the last few weeks prices have improved. To what extent this is due to a temporary shortage in

the consuming countries it is not possible to say. It may be that prices reached rock bottom in January and February—time alone will tell.

THE DAIRY INDUSTRY.

Although there has been a substantial increase in our wool clips, the progress made has been small compared with that made by the dairy industry during the last few years.

As compared with 1920, the quantity of milk handled by our dairy factories last season had increased over 100 per cent. Figures for our exports of butter and cheese are as follows—in each case for the 12 months ending 31st March:—

	BUTTER.		CHEESE.		TOTAL VALUE. £
	Cwts.	Value. £	Cwts.	Value. £	
1920 ..	310,283	2,832,994	1,540,949	7,720,366	10,553,357
1921 ..	476,730	6,114,464	1,208,263	6,514,519	12,628,983
1922 ..	889,634	8,885,820	1,396,844	7,615,254	16,501,074
1923 ..	1,215,351	10,324,574	1,274,354	5,324,754	15,649,328
1924 ..	1,200,460	10,445,832	1,589,017	7,354,651	17,800,483
1925 ..	1,370,034	12,063,265	1,454,708	6,161,580	18,224,845
1926 ..	1,156,326	9,368,371	1,347,638	5,829,548	15,197,919
1927 ..	1,238,032	9,033,381	1,515,525	5,774,113	14,807,494
1928 ..	1,578,299	11,964,431	1,564,449	6,092,900	18,057,331
1929 ..	1,605,565	13,041,494	1,709,167	7,296,804	20,338,298
1930 ..	1,599,407	12,022,440	1,618,537	6,280,213	18,302,653

You will notice that although there has apparently been a slight falling off in the total quantity shipped this season as compared with last, there were 9,500 tons more butter in store in New Zealand than at 31st March, 1929. The figures relating to shipments, moreover, are compiled by the Customs Department from returns which need not be furnished until a few days after the carrying steamer has sailed. As the figures are compiled at a date when large quantities are still being shipped an apparent discrepancy may arise as between two seasons owing to several steamers sailing during the last days of March in one season, while in the other season the corresponding vessels sail early in April.

Figures furnished by the Dairy Export Control Board show that, as compared with the first nine months of last season, the same period of this season shows an increase in butter manufactured and sent into grading stores of 18.25%, and in cheese a decrease of 0.23%.

Here again the increased production is largely due to better methods of stock management and to the use

of fertilisers. Under the stimulation of artificial manures the stock carrying capacity is increasing wonderfully.

Fertilisers imported into New Zealand in 1919 amounted to 76,957 tons, in 1927, 249,413; in 1928, 310,797, and in 1929, 362,157 tons.

Because prices for butter and cheese have fallen materially dairy production has lately been classed, I think wrongly, among the distressed industries.

“Hoards Dairyman”—an American publication—speaking of American conditions says: “We milk over a million and a quarter less cows now than we did ten years ago and supply over 13 millions more people with dairy produce.” This shows concretely the progress the industry has made in improving the productivity of the United States Dairy Herd.

The American dairy industry has no doubt been stimulated by high prices, by the immense protected market the dairy farmer has at his very door, and by the heavy customs duty imposed on imported dairy produce. Ten years ago there was a customs duty of 2½ cents per lb. on all butter imported into the States, subsequently it was raised to 8 cents by the Fordney Tariff Act; later, under a sliding scale arrangement, it was raised to 12 cents; and if the pending bill becomes law the Customs duty on butter entering the United States will be 15 cents per lb.

Owing to the improvement in the butter-fat productivity of American dairy herds, and to the stimulations I have referred to, the price of butter has recently declined 10 cents a lb. from a level that was already unattractive to importers of foreign butter. It is claimed that if all protective duties were wiped out, importations from overseas could not compete in price with the local article—except on rare occasions when weather or other conditions might affect the position.

Assuming this to be a true statement of the position, as no doubt it is, it goes to prove to some extent that the imposition of a duty on imported foreign foodstuffs into Great Britain would not, in the long run, add anything to the cost of living there.

It is even conceivable that such an imposition might be a factor in ultimately reducing the cost of living, for it would give to the British farmer, and to farmers in

other portions of the Empire, an assured market for their products and would act as a stimulus to production.

Dairy farmers in New Zealand are no doubt doing much to improve the productivity of their herds by more scientific cultivation of the soil, by use of artificial fertilisers, by herd testing and by care in the selection of sires; but little is heard of attempts being made to increase the milk yield and to prolong the lactation period by the judicious use of artificial concentrated cattle foods.

In the United Kingdom, and even more in Denmark, these concentrated foods are being increasingly used with excellent results particularly when the growth of grass is beginning to diminish. It has been, I think, conclusively proved that by adopting this method the yield per cow has been raised considerably, in some instances doubled, at a cost which leaves a high margin of profit to the farmer.

Concentrated cattle foods are sold with specified and guaranteed food values and are manufactured from products such as cotton seed and cotton seed oil, linseed, copra, other nuts, etc.—all of which are grown within the Empire. As none of the ingredients used are produced in New Zealand, except a small quantity of linseed, the Government might well consider the abolition of the customs duty at present levied on all artificial cattle foods imported into the Dominion. The abolition of the duty would, without doubt, encourage the use of a product that is giving remarkably beneficial results in other parts of the world.

MUTTON.

The total number of sheep slaughtered at all the works in the Dominion for the season ended 30th April last was 2,292,444; for the same period last year it was 1,470,639. Prices for wether mutton, especially towards the end of the season, showed an easing tendency. It is reported that prices for certain shipments of fat ewes barely covered shipping and delivery expenses, leaving little or nothing to the exporter for the carcass.

In 1918 the Dominion flocks reached a total of 26,538,302; in 1922 this number had shrunk to 22,222,259. It now stands at about 30 millions, an increase brought about by high prices, especially for wool and lamb, and by more scientific farming methods.

LAMB.

The season opened in most districts with wet weather bringing with it rank growth of grass. Conditions were unfavourable for the early export of lambs; still the total number slaughtered to 30th April was 5,333,744, as against 4,842,484 last year.

Here again occurs a drop in value; in this case it amounts to 1½d per lb. as compared with the previous season's price, compensated to some extent, however, by the increase in numbers.

BEEF.

The quantity of beef shipped for the season shows a falling off, 166,937 quarters as compared with 264,721 last season, but prices increased by about 2s 6d per hundred lbs.

Owing to severe competition experienced a few years ago from the Argentine, a heavy drop in the prices of frozen and chilled beef took place on the London market. This drop adversely affected the beef industry in New Zealand and induced graziers to turn their attention to something more lucrative, with the result that the number of cattle raised in the Dominion dwindled considerably. Since then, conditions militating against the Argentine beef export trade have arisen and accordingly prices increased considerably until recently when a falling off in values is reported.

SHIPMENT OF GOLD TO LONDON.

As the Bank was holding more gold than was really necessary for the conduct of its business, we shipped, during the year, gold coin to London to the amount of half a million sterling.

During last year the stock of gold in the Bank of England fell from £153,000,000 to £129,000,000, until the raising of the Bank rate in September to 6½% stemmed the outflow, brought about a reaction, and enabled the Bank to build up its stock above the amount of £150,000,000 considered adequate by the Cunliffe Committee and by the Committee on Currency and Bank of England note issues.

During last year the United States of America increased its holding of gold by £45,000,000 bringing its total up to £873,200,000; the Bank of France also in-

creased its holding by £78,000,000, making its total stock of gold £342,000,000. With the exception of the United States of America, France holds the largest accumulation of gold in the world, an amount much beyond her actual requirements; this fact may assist in bringing Paris into more active competition with London as a financial centre.

It is gratifying, and a proof of the soundness of the British Monetary System that, with a relatively small stock of gold, London is still able to maintain its position as the world's financial clearing house.

GOLD SUPPLY AND ITS RELATION TO COMMODITY PRICES.

An eminent economist, states: "It is a natural" "thing that an arbitrary increase in the volume of a" "country's currency should have a tendency to enhance" "commodity prices. Indeed, if only a country is" "supplied with means of payment to a sufficient amount," "the general level of commodity prices may be raised" "to any height."

In explanation of this statement, such a movement could not be arbitrarily achieved in a country whose note issue is controlled by the State and where either there was no gold backing or where, as is the most likely possibility, the State, in some emergency, suspended the existing law that provided an adequate safeguard in the form of a gold backing. In these cases, by the use of the printing press, an extravagant and spendthrift Government, spending freely and unproductively, could so depreciate the purchasing power of the currency, that is, "force commodity prices up to any height," in the currency of the State, as to eventually make its paper money worthless. Germany did this after the war with disastrous results.

If there is an over-issue of currency, i.e., too much paid for value received, the ever-increasing wages paid in that currency result in a readiness, and a necessity, to pay ever higher prices for commodities.

The principle involved is noticeable in New Zealand in that, comparing the purchasing power of a £ to-day with that of 1914, there is a depreciation of over 30%. Whilst this is not due to an over-issue of State notes (the note issue here, as you know, being made by the various Banks and not by the State), though closely allied

to it, it is the result of an over-use of State credit, inevitable from the war conditions, inflating prices of raw materials and land values, reinforced by the millions spent in settling soldiers on the land. This inevitable over-use of State credit "forced commodity prices up," i.e., purchasing power of the £ came down. Resulting from the reduced purchasing power of the £ the people had to be "provided with the means to pay," that is, wages increased, and wage-earners were prepared to pay any prices for commodities as long as wages rose accordingly.

We are apparently now witnessing a world-wide natural movement towards a return to pre-war commodity values, that is, the £ to purchase 20/- worth of goods or labour, equal in amount and quality to that of 1914. Labour, entrenched behind political power and arbitration awards, is endeavouring to stay that movement by keeping wages up. How long can it do so? Unemployment is one of the outward and visible signs of the effect of such an endeavour.

The deflationary period of 1921-22 brought into sharp relief the outstanding problem in world finance—how to bring about a steady level of commodity prices.

It appears to be an accepted theory that a scarcity, or a surplus, of gold has a predominating influence on the fall or rise of commodity prices and that those prices are governed by the gold reserves held by central banks.

Reviewing the world's stock of gold we find that in 1867 it was 519 millions sterling; in 1893, 774 millions; 1918, 1,909 millions; 1928, 2,282 millions; and estimated for 1934, at 2,572 millions.

From 1893 to 1918 the annual cumulative increase was 3.7%; from 1918 to 1928 it was only 1.8%. Joseph Kitchin, a recognised authority on gold, estimates the supply will not increase by more than 2% per annum during the next six years. Since most economists seem to agree that an annual increase of 3% is necessary to maintain stable prices, the implication is that the price level of commodities is likely to decline.

It is interesting to note that of the world's total gold production in 1928, £84,000,000, the British Empire's proportion was 71%.

It seems reasonable to suppose that if Central Banks throughout the world are able to maintain their present gold reserves the phenomenon of declining or advancing price levels may be closely observed.

For a more effective control of gold reserves in their relation to price levels, for co-operative purchases and distribution of gold, for more scientific and harmonious understanding, it would seem of the greatest importance to the whole civilised world that the great Central Banks of London, New York, Paris and Berlin, should arrange to work with one another in closer co-operation than is at present the case. There is, of course, evidence that some co-operation exists between London and New York, but to be really effective it should embrace the other principal gold centres. If intimate relationship could be brought about amongst the banks, the problem of how to maintain a comparatively steady level of commodity prices might to some extent be solved.

In the complications of modern life the absolute interdependence of nations becomes more apparent, for nothing can happen in one part of the globe that does not have a corresponding effect on another, and the whole world is rapidly being forced to the recognition of this as an indisputable fact.

GENERAL ECONOMIC CONDITIONS.

New Zealand, unfortunately, is to an extent, following in the footsteps of Australia, where acute depression is being experienced. Expenditure, public and private, is on an unwarranted scale, and a few years of low export prices for primary products, coupled with over-importation, and possible difficulty in raising loans from outside sources, would bring about conditions somewhat similar to those now being experienced in Australia. It does not require any prophet to foretell that unless expenditure, public and private, but especially the former, is substantially reduced, the future financial credit of the country must be prejudicially affected.

The immediate adoption of a policy of retrenchment would no doubt entail a certain amount of hardship in the community but delay in the adoption of such a policy would inevitably lead to greater hardship for greater numbers.

In the last 20 years the public debt of New Zealand has increased from £74,890,645 to £264,491,983, or from £72 6s 10d per head of the then population to £179 12s 10d per head of the present. It must not be forgotten that in the period under review, the greatest war in the history of civilisation ran its blighting course, leaving an aftermath of unprecedented public debt on every country of the British Empire. It should, also, be remembered that a considerable amount of our public debt is revenue-producing, if not quite self-supporting. Our Railways, Post and Telegraph Departments, Advances to Settlers and Workers, "Hydro Electric" and other Government undertakings all contribute revenue to meet at least a portion of interest charges on the loans raised for these purposes.

Of the total local body loans issued, including Government Loans to Local Bodies, 59% was raised locally and the balance abroad. It speaks volumes for the faith New Zealanders have in the future of their own land that a relatively small population in a comparatively newly settled country should invest over £34,000,000 in these bonds.

The indebtedness is allocated as follows:—

Counties	£3,882,000
Boroughs	29,278,000
Harbour Boards	10,336,000
Electric Light Boards	10,175,000
Other	5,278,000

According to the New Zealand Year Book the total amount of interest payable on Local Body Loans as at 31st March, 1928, was £3,158,359, of which £1,239,840 was payable outside the Dominion, and that amount has since increased.

These figures do not include about £7,455,000 borrowed from Government by various local authorities.

In addition to the public debt, Local Body indebtedness is increasing at a greater ratio per capita than population. According to the Local Authorities Hand Book of 1929, debts contracted as at the 31st March, 1928, amounted to 66.4 millions sterling, or £45 13s 8d per head of the then population of 1,453,517, as compared with £10 1s 10d in 1898, when the population was 771,568.

No doubt the greater proportion of the Local Body expenditure is justifiable from one aspect or another; some of it, however, might with advantage have been postponed, for, however desirable particular amenities may be, the old proverb, "cut your coat according to your cloth," is worthy of remembrance. Furthermore, an increasingly expanding expenditure is getting out of step with the wealth of the country per head of population.

It is a lamentable fact that, as in Australia, we in New Zealand are losing all sense of proportion where public expenditure is concerned; and even in private life what was considered extravagance a few years ago is now taken as a matter of course.

Rates and taxes in New Zealand are steadily increasing; beyond a certain level, however, they cannot go without bringing about calamitous results to the taxpayer as well as to the tax-gatherer.

Australia has been compelled, owing to her financial exigencies, to increase very materially her Customs duties. It is to be hoped that New Zealand will not be forced to follow her example except perhaps on foreign goods of a luxury nature.

For the past six years the United Kingdom has purchased 76% of our total exports, a fact which should not be lost sight of. It is true she does not reciprocate by giving any customs advantages but buys New Zealand foodstuffs and raw materials on the world's open markets; nevertheless, the fact remains she does buy the great bulk of our produce, and any great rise in our customs tariff might have serious consequences to us.

Since the days of Bright and Cobden the ideal of free trade has held the imagination of the British people, but changing times and changing conditions demand re-adjustment of ideas; tradition cannot always with advantage be maintained.

The cry of "cheap food" has a subtle appeal, so subtle that the benefits that might accrue by the reversal of a policy already discarded by every other nation on earth are not being sufficiently recognised. Probably there would be little difficulty in arranging for reductions in Colonial Customs Tariffs in exchange for a small protective duty on at least some of the raw materials

and foodstuffs imported into Britain from her own overseas dependencies.

The assured market that such protection would provide would be of inestimable advantage to the colonies, and would so stimulate production that in a short period of time prices would probably reach levels tending to reduce rather than increase the cost of living in Britain.

As regards Britain, one might hope to see her export trade increased, unemployment lessened, and impetus given to the fine ideal of an Empire united into one homogeneous economic whole. If Governments throughout the Empire brought to bear on this vitally important question half the zeal they expend on matters of infinitely less value, substantial results must surely follow.

It is gratifying to note that Mr. Snowden, Chancellor of the Imperial Exchequer, has recently announced that an Imperial Economic Conference will be held in London in September. It is to be hoped that the conference will attempt to find some solution to the greatest problem that faces Great Britain and every outlying dependency—how to increase and extend inter-Empire trade and commerce.

Much has been spoken and written on this subject during the past year, especially in connection with the possibility of attaining free trade within the Empire. Such an attainment would be a great achievement, but as yet, it is difficult to see how this idea could be brought into force without seriously upsetting the economic and industrial condition of almost every outlying unit. Open discussion of the subject, however, and a frank interchange of ideas might lead towards a satisfactory solution. Even if absolute free trade is a remote idea, foundations might be laid on which to build, with the hope that in the fullness of time succeeding generations may see an edifice complete, four square to every wind of Heaven, a monument to the solidarity and to the unity of a wonderful Empire.

THE OUTLOOK.

It would be easy to close one's eyes to the indications that point to continuing low prices for our exported products, but only harm will be done by an ostrich-like refusal to face the position.

We are not the only people who are feeling the pinch. All around us similar conditions are being experienced. Indeed, we are in better trim than many other countries. In the tropics, sugar, tea, coffee, rice, tin, rubber, cotton, jute; in the more temperate zones, wool, butter, beef, mutton, lamb, wheat; in manufacturing countries, steel, iron, textiles, are substantially in excess of the demand.

We might with advantage take an example from other countries. In several of the South American States, where prices for exported goods are showing big reduction, important public works have been stopped and a policy of retrenchment adopted. In Australia retrenchment is the order of the day.

In New Zealand, if low prices for primary products continue for any length of time, land values, now excessively high, must be prejudicially affected; a reduced standard of living would then become not merely advisable but obligatory, since salaries and wages would of necessity be lowered. Nevertheless, if individually and collectively the community will strive conscientiously to adjust itself to altered conditions by endeavouring to adopt more scientific methods, to pay more attention to detail, to increase output and work a little harder, overhead expenses will be lessened, and what is lost in price may be gained by increased and less costly production—and in time the pendulum will swing the other way.

New Zealand has many advantages; fertility of soil, congenial climate, a healthy population of pure British stock, are all assets of incalculable value. It remains for us to utilise these advantages to the full, and in so doing we can, whatever happens, face the future with confidence. (Applause.)

THE CHAIRMAN now called upon Mr. Gibbs to second the motion.

MR. RICHARD W. GIBBS said:—

Mr. Chairman, I have pleasure in seconding the adoption of the Report and Balance Sheet. The Chairman, gentlemen, has explained to you the chief variations in the Balance Sheet. At first glance, by a comparison of the Profit and Loss figures with those of last year, some of you may think that, with the upward movement in our Advances of approximately six millions, an in-

crease in our profits of only £35,000 needs some explanation. When you consider that our free deposits have decreased over two millions, and have been replaced by interest bearing deposits of about the same amount, the explanation is simple.

However, taking into consideration the somewhat difficult time we are passing through, I think Shareholders have every reason to be satisfied with the year's results and with the strong and healthy condition of the accounts placed before them. In this connection I can assure you that, from my daily touch with the Bank's affairs and a complete knowledge of the accounts, very full provision has been made for every account of the least doubtful nature.

The times may be troublesome, but during my long experience in the Bank, extending well over fifty years, we have passed through many worse. The ups and downs come periodically and we must face them philosophically. With the ample warnings being given in all quarters there will be no excuse if we in New Zealand are caught napping. By shortening sail in private expenditure on non-essentials, and more particularly in public extravagance, both State and Municipal, I am satisfied there will be no occasion for undue pessimism as to the results.

With these few remarks I have pleasure in seconding the resolution. (Applause.)

The motion was carried unanimously.

VOTE OF THANKS.

MR. GEORGE SHIRTCLIFFE, in moving a vote of thanks to the Directors, the Management and Staff, said:—

I think the Shareholders and the Country generally will feel grateful to you for the very instructive address which you have given us. Not only has it explained in every understandable way, the essential features of the Balance Sheet, but you have touched upon many factors affecting the financial affairs of the Country. I am sure those who study your address carefully will derive considerable information from it, and it will help them to be perhaps a little less pessimistic regarding the immediate future than they otherwise would be. I would describe your address as one of cautious optimism, and I think that is perhaps the attitude we ought all to adopt

while the country is passing through what we hope is a passing phase of depression.

It is with great pleasure that I move a hearty vote of thanks to the Directors, the Management and Staff, for their services during the past year. It may be that a motion of this nature is coming to be looked upon, in the case of many Companies, as a merely formal proceeding, but I feel sure that in the case of the Bank of New Zealand, shareholders feel that not only is the vote of thanks fully called for, but they would be ungracious indeed, did they not express in this, the only way open to them, their appreciation of the great work done and good results achieved by those who control and conduct the affairs of the Bank. My task is all the more pleasant, inasmuch as, though I have studied the Balance Sheet somewhat carefully, I have failed to find anything that I can criticize adversely, while it contains abundant evidence that the great business of the Bank is being wisely and prudently controlled and managed.

I have heard it said, and seen it stated, that the Bank makes too much profit out of the producers and traders of the Country, but I suggest that such statements are not based on a true appreciation of the position. The profit is earned on the shareholders' total Funds, including the Reserve Fund of £3,425,000 and other internal reserves that should, and I have no doubt, do exist—on that basis the profit earned cannot be described as being more than moderately good. The dividend which is paid on Share Capital only is not therefore a true indication of the profit percentage earned on the Shareholders' total Funds employed, and critics would do well to bear that in mind when they are inclined to refer to the so-called "huge profits made by the Bank." As a matter of fact, I have had the curiosity to try and estimate the relation of the Bank's nett profit to its turnover, and I find that at a very rough estimate of the turnover in customers' current accounts alone, the profit works out at round about 1/3d per £100, while if the turnover under all heads were taken into account the figures would be so colossal that it would require a high-powered microscope to discern any profit percentage at all.

One very pleasing feature of the Balance Sheet is the fact that though what I may describe as Liquid Assets

(and by that term I mean Coin, Cash Balances, Government and Municipal Debentures, and similar quickly realisable assets) have declined during the year by some £6,000,000, they still amount to no less an aggregate sum than £22,000,000. This seems to indicate that the Bank has ample resources with which to meet any emergency call that might arise without resorting to the necessity of calling for repayment of its advances. The strength of that position, especially under present world financial conditions, must be very re-assuring to Shareholders and also to the Bank's clients. No doubt the policy of the Board will be to maintain an adequate margin of Liquid Assets for use only in case of need.

Your reference, Mr. Chairman, to the revenue derived by the Government from the Bank, amounting to no less than £540,000, is illuminating, and must be a source of satisfaction to taxpayers generally, who, no doubt, earnestly wish that all Government ventures or enterprises yielded equally good results.

The question of the exchange rates between New Zealand and London has been very much discussed of late, and it seems clear that the great disparity between the buying and selling rates has been brought about by New Zealand's, and to a much greater extent, Australia's adverse oversea trade balance. The nett loss to the Country cannot, however, be at all great, as the exchange loading on the cost of imports is largely compensated for by the premium on Drafts against exports, and which premium is, to some extent, at any rate, a set off against the recent fall in the oversea values of our principal exports. If the high exchange rate on imports helps, as it must to some extent, to restore the trade balance to something like equilibrium, it will have had a very desirable effect, for it has always to be borne in mind that the Country, in order to pay its way, has to find somewhere around £9,000,000 a year to cover its oversea obligations, and practically the only source from which that large amount can be provided is the excess of the value of its exports over imports. It is essential therefore that importations, especially of luxury items, should be drastically curtailed, and if an adverse exchange rate is insufficient to bring that about, then other means should be adopted by the powers that be.

I think that I have said enough to show that our

thanks to the Directors, Management and Staff, are fully called for. To the Directors for the wise measure of control that they exercise over the policy and business of the Bank. To the General Manager, Sir Henry Buckleton, whose interest we all know is entirely wrapped up in the welfare of the Bank, and to his able and loyal staff of Inspectors, Branch Managers, and other officers of all grades. I am sure that we are all pleased to hear from you, Mr. Chairman, that the Directors have again made suitable recognition by way of the usual bonus to the members of the staff and other employees.

I have great pleasure in moving that a hearty vote of thanks be accorded to the Directors, Management and Staff.

The vote was seconded by Mr. A. D. CRAWFORD and carried with acclamation.

THE CHAIRMAN briefly acknowledged the vote of thanks.

SIR HENRY BUCKLETON responded on behalf of the Staff and himself for the expression of appreciation of their services: he stated that the year ended 31st March last had been a somewhat difficult one, but was afraid there might be a more difficult period ahead. Shareholders could rest assured, however, that the staff, one and all, would do their utmost to protect and advance the interests of the Bank.

This concluded the business.

HEAD OFFICE

WELLINGTON

General Manager:

SIR HENRY BUCKLETON.

Assistant General Manager:

A. L. HEMPTON.

Inspectors:

R. W. WESTOBY, GEO. WHITELAW.

Sub-Inspectors:

A. J. DIXON, H. S. HOUGH, K. G. HUME, B. A. MOORE, T. McLAREN, E. McPHAIL, A. R. PORTEOUS, N. WALLACE.

Produce Manager:

H. A. KEELING.

Accountant:

H. H. FEATHERSTONE.

LONDON OFFICE:

No. 1 QUEEN VICTORIA STREET, MANSION HOUSE, E.C. 4.

Manager: ROBERT MILL.

Assistant Manager: JOHN SHAW.

Produce Manager: A. L. ROBERTSON.

BRANCHES AND AGENCIES
IN NEW ZEALAND.

AUCKLAND *Manager,* F. W. Dawson
Asst. Mngr., H. R. H. Chalmers
Sub-Mngr., E. C. Sare

AKAROA *Manager,* H. W. Oliver

ALEXANDRA " F. R. Whitelock

APITI, AGENCY OF KIMBOLTON.
 ARIA, AGENCY OF TE KUITI.
 ARROWTOWN, AGENCY OF QUEENSTOWN.

ASHBURTON *Manager,* C. A. Cuff

AVONDALE, AGENCY OF AUCKLAND.
 AWANUI, AGENCY OF KAITAIA.
 AWATUNA EAST, AGENCY OF KAPONGA.

BALCLUTHA *Manager,* F. M. Poynter

BALFOUR, AGENCY OF GORE.
 BIRKENHEAD, AGENCY OF AUCKLAND.

BLENHEIM *Manager,* F. G. Major

BLUFF " T. T. Grant

BULLS " A. J. Petrie

CAMBRIDGE " F. E. Coote

CARTERTON " E. F. N. Morgan

CHRISTCHURCH " J. MacGibbon
Asst. Mngr., K. M. Ollivier

CLEVEDON, AGENCY OF PAKURA.

CLINTON *Manager,* E. H. Wethey

CLYDE, AGENCY OF ALEXANDRA.
COROMANDEL *Manager*, P. Beveridge
CROMWELL E. A. Cowey
CUST, AGENCY OF RANGIORA.
CUSTOMS ST. EAST, AUCKLAND, AGENCY OF AUCKLAND.
DANNEVIRKE *Manager*, R. L. Grant
DARFIELD, AGENCY OF CHRISTCHURCH.
DARGAVILLE *Manager*, A. Anderson
DEVONPORT G. B. Blyth
DOMINION RD., AGENCY OF SYMONDS ST.
DRURY, AGENCY OF PAPAURA.
DUNEDIN *Manager*, J. G. Dykes
DUNEDIN NORTH A. J. Thompson
DUVAUCHELLES BAY, AGENCY OF AKAROA.
EKETAHUNA A. D. Murray
ELLERSLIE, AGENCY OF AUCKLAND.
ELTHAM F. B. Wylds
FAIRLIE, AGENCY OF TIMARU.
FEATHERSTON H. R. Bloxam
FEILDING T. S. Goldsmith
FOXTON S. H. Poole
GERALDINE J. D. McKechnie
GISBORNE A. H. Wilson
GORE A. J. Campbell
GREEN ISLAND, AGENCY OF DUNEDIN.
GREYMOUTH A. H. Carey
GREYTOWN J. W. Barnard
HAMILTON A. E. Bouillon
HAMILTON NORTH H. J. Baker
HAMPDEN, AGENCY OF PALMERSTON (OTAGO).
HASTINGS *Manager*, J. N. Smith
HAVELOCK, AGENCY OF BLENHEIM.
HAWERA R. C. Hay-Mackenzie
HELENSVILLE C. H. Fastier
HENDERSON, AGENCY OF AUCKLAND.
HERIOT, AGENCY OF TAPANUI.
HIKURANGI, AGENCY OF WHANGAREI.
HIKUTAIA, AGENCY OF PAEROA.
HOKITIKA A. N. Baker
HUNTERVILLE *Manager*, W. G. Cunningham
HUNTLY E. V. Daldy
INGLEWOOD A. H. Baxter
INVERCARGILL T. S. Tomlinson
KAIAPOI H. R. Aspinall
KAIKOHE R. D. MacLean
KAIKOURA Jas. Murray

Kaipara Flats, AGENCY OF WARKWORTH.
KAITAIA *Manager*, D. S. White
KAITANGATA, AGENCY OF BALCLUTHA.
KAPONGA F. W. Fallows
KARORI, AGENCY OF WELLINGTON.
KATIKATI, AGENCY OF TAURANGA.
KAWHIA H. C. B. Shera
KELSO, AGENCY OF TAPANUI.
KILBIRNIE, AGENCY OF WELLINGTON SOUTH.
KIMBOLTON *Manager*, A. W. Gray
KOHUKOHU F. J. Pender
KUMARA, AGENCY OF HOKITIKA.
LAUDER, AGENCY OF ALEXANDRA.
LAWRENCE R. A. Prisk
LEESTON S. Bongard
LEVIN W. Small
LITTLE RIVER, AGENCY OF CHRISTCHURCH.
LOWER HIGH ST., CHRISTCHURCH, AGENCY OF CHRISTCHURCH.
LOWER HUTT *Manager*, E. J. Heffer
LUMSDEN, AGENCY OF WINTON.
LYTTELTON R. H. Mellroy
MAMAKU, AGENCY OF ROTORUA.
MANAIA L. R. Jordan
MANAKAU, AGENCY OF LEVIN.
MANGAWEKA F. M. E. O. Wilson
MANUREWA, AGENCY OF OTAHUHU.
MARTINBOROUGH A. S. Scott
MARTON A. P. Matthews
MASTERTON W. A. H. Todd
MATAMATA R. W. Stevens
MATAURA T. N. Mitchell
MATAWAI, AGENCY OF GISBORNE.
METHVEN R. F. V. Renai
MIDDLEMARCH, AGENCY OF MOSGIEL.
MILLER'S FLAT, AGENCY OF ROXBURGH.
MILTON *Manager*, C. J. Clery
MORRINSVILLE A. H. J. Wyatt
MOSGIEL C. C. McLachlan
MOTU, AGENCY OF GISBORNE.
MOTUEKA N. Ross
MT. ALBERT, AGENCY OF SYMONDS STREET.
MT. EDEN, AGENCY OF SYMONDS STREET.
MURCHISON *Manager*, I. H. Cornwall
NAPIER L. C. Friend
NASEBY, AGENCY OF RANFURLY.
NELSON W. J. Rowe

NEW BRIGHTON, AGENCY OF CHRISTCHURCH.
 NEW LYNN, AGENCY OF NEWTON (AUCKLAND).
 NEWMARKET (AUCKLAND) .. *Manager*, C. H. Worth
 NEW PLYMOUTH " A. D. Keeling
 NEWTON (AUCKLAND) " J. W. Probert
 NGARUAWAHIA " W. G. Adams
 NGATEA, AGENCY OF THAMES.
 NIGHTCAPS, AGENCY OF OTAUTAU.
 NORTH-EAST VALLEY, AGENCY OF DUNEDIN NORTH.
 NORTH END (WELLINGTON) .. *Manager*, A. M. Thomson
 OAMARU " B. Roll
 OHAEAWAI, AGENCY OF KAIKOHE.
 OHAKUNE " R. Hanger
 OHURA " R. G. Millen
 OKATO, AGENCY OF NEW PLYMOUTH.
 OMAKAU, AGENCY OF ALEXANDRA.
 ONEHUNGA " A. H. Orwin
 ONGA ONGA, AGENCY OF WAIPAWA.
 OPOTIKI " H. Rowland
 OPUNAKE " G. H. Hutton
 OREPUKI, AGENCY OF RIVERTON.
 ORMONDVILLE, AGENCY OF DANNEVIRKE.
 OTAHUHU *Manager*, C. P. Downey
 OTAKI " P. Whyte
 OTANE, AGENCY OF WAIPAWA.
 OTAUTAU " F. L. Smith
 OTOROHANGA " H. C. Alexander
 OUTRAM " A. S. Bell
 OWAKA " E. A. Winchester
 OXFORD " W. A. Virtue
 PAEROA " A. F. Steedman
 PAHIATUA " D. O. L. Howden
 PALMERSTON (OTAGO) " W. J. Mann
 PALMERSTON NORTH " W. G. Miller
 PAPAKURA " W. A. Pavitt
 PAPAROA (AUCKLAND) " S. T. Norton
 PAPATOETOE, AGENCY OF OTAHUHU.
 PATEA *Manager*, A. C. Thompson
 PETONE " M. J. Daniel
 PICTON " H. Fulton
 PIO PIO, AGENCY OF TE KUITI.
 PLEASANT POINT, AGENCY OF TIMARU.
 PONGAROA *Manager*, E. W. T. Thane
 PONSONBY, AGENCY OF NEWTON.
 PORT CHALMERS " G. L. Wilkin
 PUKEKOHE " H. Bockett

PUTARURU *Manager*, A. P. Delargey
 QUEENSTOWN " A. H. Cooke
 RAETIHI " W. G. McDowell
 RAHOTU, AGENCY OF OPUNAKE.
 RAKAIA " A. S. Henderson
 RANFURLY " R. Fraher
 RANGIORA " G. E. March
 REEFTON " P. H. Instone
 REMUERA, AGENCY OF AUCKLAND.
 RICCARTON, AGENCY OF CHRISTCHURCH.
 RICHMOND, AGENCY OF NELSON.
 RIVERSDALE, AGENCY OF GORE.
 RIVERTON *Manager*, A. D. Angus
 RONGOTEA " W. J. Amies
 ROSS, AGENCY OF HOKITIKA.
 ROTORUA " J. M. Roberts
 ROTORUA NORTH (ROTORUA) SUB-BRANCH.
 *Sub-Mngr.*, D. George
 ROXBURGH *Manager*, E. A. H. Scolon
 RUAWAI, AGENCY OF PAPAROA.
 SANSON, AGENCY OF BULLS.
 SHANNON " B. J. S. Brann
 SOUTHBRIDGE, AGENCY OF LEESTON.
 SOUTH DUNEDIN, AGENCY OF DUNEDIN.
 STRATFORD *Manager*, F. P. D. Jefferies
 SYDENHAM (CHRISTCHURCH) " A. H. C. Orr
 SYMONDS STREET (AUCKLAND) " R. T. Everard
 TAIHAPE " C. L. Dymock
 TAKAKA (NELSON) " P. T. C. Hill
 TAKAPAU (HAWKE'S BAY) " C. C. Callender
 TAKAPUNA, AGENCY OF DEVONPORT.
 TANEATUA " J. O'Sullivan
 TAPANUI " J. F. Harrison
 TAUMARUNUI " W. L. C. Bakewell
 TAURANGA " C. A. L. Smith
 TE ARAROA (WAIAPU) " W. C. A. Bargrove
 TE ARO (WELLINGTON) *Manager*, J. Fitzsimmons
 TE AROHA " F. L. Kenrick
 TE AWAMUTU " F. W. Bevin
 TE KAUWHATA, AGENCY OF AUCKLAND.
 TE KOPURU, AGENCY OF DARGAVILLE.
 TE KUITI " P. H. Passau
 TEMUKA " C. L. Fraser
 TE PUKE " G. T. Simpson
 THAMES " J. S. Columb
 THORNBURY, AGENCY OF RIVERTON.

TIMARU .. .. .	..	..	..	..	<i>Manager</i> , D. H. Marshall
TIRAU, AGENCY OF MATAMATA.					
TOKOMARU BAY .. .. .	..	..	..	..	D. Lumsden
TUAKAU, AGENCY OF PUKEKOHE.					
TURUA, AGENCY OF THAMES.					
URENUI, AGENCY OF WAITARA.					
WAHAROA, AGENCY OF MATAMATA.					
WAIHI .. .. .	..	..	..	..	E. H. Payze
WAIKAKA, AGENCY OF GORE.					
WAIKARI, AGENCY OF CHRISTCHURCH.					
WAIKOUAITI .. .. .	..	..	..	..	G. A. de Lautour
WAIMANA, AGENCY OF TANEATUA.					
WAIMATE .. .. .	..	..	..	..	R. G. A. Scott
WAIPAWA .. .. .	..	..	..	..	G. Taylor
WAIPIKURAU .. .. .	..	..	..	..	A. F. Foot
WAIROA (HAWKE'S BAY) .. .. .	..	..	..	..	J. P. White
WAITAHUNA, AGENCY OF LAWRENCE.					
WAITAKARURU, AGENCY OF THAMES.					
WAITARA .. .. .	..	..	..	..	J. A. W. Hamlin
WAITOA, AGENCY OF TE AROHA.					
WAIUKU .. .. .	..	..	..	..	J. Forbes
WAKEFIELD, AGENCY OF NELSON.					
WALTON, AGENCY OF MATAMATA.					
WANGANUI .. .. .	..	..	..	..	F. R. Dunsford
WARKWORTH .. .. .	..	..	..	..	A. E. T. Pickering
WELLINGTON .. .. .	..	..	..	..	D. F. Reid
<i>Asst. Mngr.</i> , A. G. Henderson					
WELLINGTON SOUTH (WELLINGTON).					
<i>Manager</i> , J. W. Bright					
WELLSFORD, AGENCY OF WARKWORTH.					
WESTPORT .. .. .	..	..	..	..	F. A. de Tourettes
WHAKATANE .. .. .	..	..	..	..	R. S. Baker
WHANGAREI .. .. .	..	..	..	..	W. C. Coote
WINTON .. .. .	..	..	..	..	D. T. Larnach
WOODVILLE .. .. .	..	..	..	..	L. J. Whittington
WYNDHAM .. .. .	..	..	..	..	J. C. Mills

IN AUSTRALIA.

MELBOURNE, 347 COLLINS STREET.

Manager, H. W. Were
 SYDNEY, 339 GEORGE STREET *Actg. Mngr.*, R. W. Westoby
Asst. Mngr., L. Brinkman

IN FIJI.

SUVA *Manager for Fiji*, S. T. Uren
 LEVUKA *Manager*, S. J. P. Pickett

IN SAMOA.

APIA *Manager*, A. F. B. Small

WELLINGTON, 20TH JUNE, 1930.

AGENTS AND CORRESPONDENTS.

AUSTRALIA.

AUSTRALIAN BANK OF COMMERCE, LIMITED.
 BANK OF ADELAIDE.
 BANK OF NEW SOUTH WALES.
 COMMERCIAL BANKING COMPANY OF SYDNEY, LIMITED.
 COMMERCIAL BANK OF AUSTRALIA, LIMITED.
 ENGLISH, SCOTTISH AND AUSTRALIAN BANK, LIMITED.
 NATIONAL BANK OF AUSTRALASIA, LIMITED.
 PRIMARY PRODUCERS BANK OF AUSTRALIA, LIMITED.
 UNION BANK OF AUSTRALIA, LIMITED.

ENGLAND AND WALES.

BANK OF ENGLAND.
 BARCLAY'S BANK, LIMITED.
 BLYDENSTEIN AND COMPANY, B.W., LONDON.
 BRITISH OVERSEAS BANK, LIMITED, LONDON.
 BROWN, SHIPLEY AND COMPANY, LONDON.
 COOK AND SON, THOMAS (BANKERS), LIMITED.
 COUTTS AND COMPANY, LONDON.
 CUNARD STEAM SHIP COMPANY, LIMITED, AND ALLIED LINES.
 DISTRICT BANK, LIMITED.
 GLYN, MILLS AND COMPANY, LONDON.
 GRACE BROTHERS AND COMPANY, LIMITED, LONDON.
 ISLE OF MAN BANK, LIMITED.
 LAZARD BROTHERS AND COMPANY, LIMITED, LONDON.
 LLOYD'S BANK, LIMITED.
 MANCHESTER AND COUNTY BANK, LIMITED.
 MARTIN'S BANK, LIMITED.
 MIDLAND BANK, LIMITED.
 MONTAGU AND COMPANY, SAMUEL, LONDON.
 MORGAN, GRENFELL AND COMPANY, LIMITED, LONDON.
 NATIONAL PROVINCIAL BANK, LIMITED.
 UNION BANK OF MANCHESTER, LIMITED.
 WESTMINSTER BANK, LIMITED.
 WITTY, FEATHERSTONE, BRISTOL.

SCOTLAND.

BANK OF SCOTLAND.
 BRITISH LINEN BANK.
 CLYDESDALE BANK, LIMITED.
 COMMERCIAL BANK OF SCOTLAND, LIMITED.
 NATIONAL BANK OF SCOTLAND.
 NORTH OF SCOTLAND BANK, LIMITED.
 UNION BANK OF SCOTLAND, LIMITED.

IRELAND.

BELFAST BANKING COMPANY, LIMITED.
 HIBERNIAN BANK, LIMITED.
 NATIONAL BANK, LIMITED.
 NORTHERN BANK, LIMITED.
 PROVINCIAL BANK OF IRELAND, LIMITED.
 ULSTER BANK, LIMITED.

EUROPE.

AMSTERDAMSCHER BANK.
 ANDRESEN BANK, AKTIESELSKAP, OSLO.
 ANGLO-INTERNATIONAL BANK.
 ANGLO-CZECHO-SLAVAKIAN BANK.
 BANCA A. DANDREA AND COMPANY.
 BANCA COMMERCIALE ITALIANA.
 BANCA COMMERCIALE ITALIANA, FRANCE.
 BANCO HISPANO AMERICANO.
 BANCO NACIONAL ULTRAMARINO.
 BANK FOR FOREIGN TRADE, U.S.S.R.
 BANKGESCHAFT J. BETSCHEN, A.G., INTERLAKEN.
 BANK OF FRANCE.
 BANK OF LONDON AND SOUTH AMERICA, LIMITED.
 BANK VOOR HANDEL EN SCHEEPVAART, ROTTERDAM.
 BANQUE ADAM.
 BANQUE COMMERCIAL DE BERNE.
 BANQUE DE MONTREUX.
 BANQUE JULES BOUTIN.
 BANQUE POPULAIRE, INTERLAKEN.
 BANQUE POPULAIRE, SUISSE.
 BARCLAY'S BANK (FRANCE), LIMITED.
 BARCLAY'S BANK (DOMINION, COLONIAL AND OVERSEAS), LIMITED.
 BERGEN'S PRIVAT BANK.
 BERRY AND COMPANY, EDWARD E. BORDIGHERA (ITALY).
 BUGNION AND CIE, C. LAUSANNE, SWITZERLAND.
 CAISSE GENERAL DE REPORTS ET DE DEPOTS, BRUSSELS.
 COMPAGNIE COMMERCIALE BELGE, ANTWERP.
 COMPTOIR NATIONAL D'ESCOMPTE DE PARIS.
 COOK AND SON, THOMAS (BANKERS), LIMITED.
 CREDIT GENERAL LIEGEOIS.
 CREDIT LYONNAIS.
 CREDITO ITALIANO.
 CREDIT OSTENDAIS, OSTEND.
 CREDIT SUISSE.
 CRIVELLI AND COMPANY, SEB., LUCERNE.
 CROATIAN DISCOUNT BANK.
 DANSKE LANDMANDSBANK HYPOTHEK-OG VEKSELBANK.
 DANZIGER PRIVAT-ACTIENBANK, DANZIG.
 DARMSTADTER UND NATIONALBANK KOMMANDITGESELLSCHAFT AUF
 AKTIEN.
 DE PALEZIEUX AND COMPANY, VEVEY, SWITZERLAND.
 DEUTSCHE BANK, UND DISCONTO-GESELLSCHAFT.
 ESTRINE AND COMPANY, MARSEILLES.
 FINLANDS BANK.
 FRASER AND COMPANY, A.G., ROTTERDAM.
 GALLAND AND COMPANY, LAUSANNE AND ZERMATT.
 GOTEBORGS BANK.
 GUERIN AND FILS, LYONS.
 HOLME AND COMPANY, NAPLES.
 IONIAN BANK, LIMITED.
 JADRANSKO PODUNAVSKA BANKA.
 JORBRUKARBANKEN (AKTIEBOLAGET), STOCKHOLM.
 KJOBENHAVNS' HANDELSBANK.
 KLAVENESS' BANK, AKTIESELSKAP, OSLO.

KLEINER, GERBER AND COMPANY, DAVOS PLATZ, SWITZERLAND.
 LAZARD FRERES AND CIE, PARIS.
 LIPPMANN, ROSENTHAL AND COMPANY, AMSTERDAM.
 LLOYDS AND NATIONAL PROVINCIAL FOREIGN BANK, LIMITED.
 MAQUAY AND COMPANY.
 MEES AND ZOONEN, R., ROTTERDAM.
 MORGAN AND COMPANY, PARIS.
 NAEGELI-WEETMAN AND COMPANY, ST. MORITZ, SWITZERLAND.
 NORGES BANK, OSLO.
 NORSKE CREDITBANK.
 OESTERREICHISCHE CREDIT-ANSTALT FUR HANDEL UND GEWERBE.
 OSTERGOTLANDS ENSKILDA BANK.
 OTTOMAN BANK.
 PAUL PAYOT ET FILS, CHAMOUNIX.
 RAHN AND BODMER, ZURICH.
 RICHER AND COMPANY, FELIX, HAVRE.
 ROTTERDAMSCHER BANKVEREENIGING.
 SCHEURLEER AND FILS, THE HAGUE.
 SKANDINAVISKA KREDITAKTIEBOLAGET.
 SKIENSFJORDENS KREDITBANK, SKIEN, NORWAY.
 SOCIETE FRANCAISE DE BANQUE ET DE DEPOTS.
 SOCIETE GENERAL POUR FAVORISER LE DEVELOPPEMENT DU COMMERCE
 ET DE L'INDUSTRIE EN FRANCE.
 STOCKHOLMS ENSKILDA BANK.
 SVENSKA HANDELSBANKEN (AKTIEBOLAGET).
 SWISS BANK CORPORATION.
 UNION DE BANQUES, SUISSES.
 WEGELIN AND COMPANY, ST. GALL, SWITZERLAND.

ASIA.

BANK OF TAIWAN, LIMITED, FORMOSA.
 BANK OF THE PHILIPPINE ISLANDS.
 BANQUE DE SYRIE ET DU GRAND LIBAN.
 CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA.
 EASTERN BANK, LIMITED.
 GILMAN AND COMPANY, HONGKONG.
 GRINDLAY AND COMPANY.
 HONGKONG AND SHANGHAI BANKING CORPORATION.
 IMPERIAL BANK OF INDIA.
 KAWASAKI-ONE HUNDREDTH BANK, LIMITED.
 LLOYD'S BANK, LIMITED.
 MERCANTILE BANK OF INDIA, LIMITED.
 NATIONAL BANK OF INDIA, LIMITED.
 OTTOMAN BANK.
 P. AND O. BANKING CORPORATION, LIMITED.
 PHILIPPINE NATIONAL BANK, PHILIPPINE ISLANDS.
 YOKOHAMA SPECIE BANK, LIMITED.

AFRICA.

BARCLAY'S BANK (DOMINION, COLONIAL AND OVERSEAS), LIMITED.
 MAURITIUS COMMERCIAL BANK, MAURITIUS.
 NATIONAL BANK OF EGYPT.
 OTTOMAN BANK.
 STANDARD BANK OF SOUTH AFRICA, LIMITED.

NORTH AMERICA.

ADAMS EXPRESS COMPANY, NEW YORK.
 BANKERS TRUST COMPANY, NEW YORK.
 AMERICAN EXPRESS COMPANY.
 AMERICAN TRUST COMPANY, SAN FRANCISCO.
 AMERICAN UNION BANK, NEW YORK.
 ANGLO AND LONDON PARIS NATIONAL BANK OF SAN FRANCISCO.
 ANGLO-CALIFORNIA TRUST COMPANY, SAN FRANCISCO.
 ATLANTIC NATIONAL BANK OF BOSTON, BOSTON.
 BACHE AND COMPANY, J.S., NEW YORK.
 BANK OF AMERICA OF CALIFORNIA.
 BANK OF AMERICA, CHICAGO.
 BANK OF CALIFORNIA, NATIONAL ASSOCIATION, SAN FRANCISCO.
 BANK OF ITALY NATIONAL TRUST AND SAVINGS ASSOCIATION, SAN FRANCISCO.
 BANK OF MANHATTAN TRUST COMPANY, NEW YORK.
 BANK OF MONTREAL.
 BANK OF NEW YORK AND TRUST COMPANY.
 BANK OF NOVA SCOTIA.
 BANK OF UNITED STATES, NEW YORK.
 BANQUE CANADIENNE NATIONALE.
 BLAIR AND COMPANY, INC., NEW YORK.
 BROWN AND SONS, ALEXANDER, BALTIMORE.
 BROWN BROTHERS AND COMPANY, BOSTON.
 BROWN BROTHERS AND COMPANY, NEW YORK.
 BROWN BROTHERS AND COMPANY, PHILADELPHIA.
 CALIFORNIA NATIONAL BANK OF SACRAMENTO, SACRAMENTO, CALIFORNIA.
 CANADIAN BANK OF COMMERCE.
 CANADIAN PACIFIC EXPRESS COMPANY, TORONTO.
 CENTRAL TRUST COMPANY OF ILLINOIS, CHICAGO.
 CHASE NATIONAL BANK OF THE CITY OF NEW YORK.
 CHATHAM PHENIX NATIONAL BANK AND TRUST COMPANY, NEW YORK.
 CHEMICAL BANK AND TRUST COMPANY, NEW YORK.
 CITIZENS' NATIONAL TRUST AND SAVINGS BANK, LOS ANGELES.
 CITIZENS' AND MARINE BANK, NEWPORT NEWS, VIRGINIA.
 COMMERCIAL NATIONAL BANK AND TRUST COMPANY OF NEW YORK.
 CONTINENTAL NATIONAL BANK AND TRUST COMPANY OF CHICAGO.
 CORN EXCHANGE NATIONAL BANK AND TRUST COMPANY, PHILADELPHIA.
 CROCKER FIRST NATIONAL BANK OF SAN FRANCISCO.
 DOMINION BANK.
 DONOHUE-KELLY BANKING COMPANY, SAN FRANCISCO.
 DREXEL AND COMPANY, PHILADELPHIA.
 FARMERS' AND MERCHANTS' NATIONAL BANK, LOS ANGELES.
 FARMERS' LOAN AND TRUST COMPANY, NEW YORK.
 FIFTH AVENUE BANK OF NEW YORK.
 FIRST NATIONAL BANK OF BOSTON.
 FIRST NATIONAL BANK OF CHICAGO.
 FIRST NATIONAL BANK, CINCINNATI.
 FIRST NATIONAL BANK, DENVER.
 FIRST NATIONAL BANK IN DETROIT.
 FIRST NATIONAL BANK OF HOUSTON.
 FIRST NATIONAL BANK AT PITTSBURGH.
 FIRST NATIONAL BANK OF RICHMOND.
 FIRST NATIONAL BANK OF ROCHESTER (MINN.).

FIRST NATIONAL BANK IN ST. LOUIS.
 FIRST NATIONAL TRUST AND SAVINGS BANK OF SAN DIEGO.
 FIRST WISCONSIN NATIONAL BANK, MILWAUKEE.
 FOURTH STREET NATIONAL BANK, PHILADELPHIA.
 FRANKLIN NATIONAL BANK, PHILADELPHIA.
 FRENCH AMERICAN BANKING CORPORATION, NEW YORK.
 FRENCH AMERICAN BANK OF SAVINGS, SAN FRANCISCO.
 FOREMAN STATE NATIONAL BANK, CHICAGO.
 GUARANTY TRUST COMPANY OF NEW YORK.
 HALLGARTEN AND COMPANY, NEW YORK.
 HANOVER NATIONAL BANK OF THE CITY OF NEW YORK.
 HARRIS TRUST AND SAVINGS BANK, CHICAGO.
 HIBERNIA BANK AND TRUST COMPANY, NEW ORLEANS.
 ILLINOIS MERCHANTS' TRUST COMPANY, CHICAGO.
 IMPERIAL BANK OF CANADA.
 INDUSTRIAL TRUST COMPANY, PROVIDENCE, RHODE ISLAND.
 INTERNATIONAL ACCEPTANCE BANK, INC., NEW YORK.
 INTERNATIONAL BANKING CORPORATION.
 IRVING TRUST COMPANY, NEW YORK.
 KIDDER, PEABODY AND COMPANY, BOSTON AND NEW YORK.
 KOUNTZE BROTHERS, NEW YORK.
 LADENBURG, THALMANN AND COMPANY, NEW YORK.
 LEE, HIGGINSON AND COMPANY, BOSTON.
 MANUFACTURERS' TRUST COMPANY, NEW YORK.
 MECHANICS AND METALS NATIONAL BANK, NEW YORK.
 MELLON NATIONAL BANK, PITTSBURGH.
 MERCANTILE TRUST COMPANY OF BALTIMORE.
 MERCANTILE-COMMERCE BANK AND TRUST COMPANY, ST. LOUIS.
 MERCHANTS' NATIONAL BANK OF BOSTON.
 MONTREAL CITY AND DISTRICT SAVINGS BANK, MONTREAL.
 MORGAN AND COMPANY, J.P., NEW YORK.
 NATIONAL BANK OF COMMERCE OF NORFOLK.
 NATIONAL BANK OF THE REPUBLIC, CHICAGO.
 NATIONAL CITY BANK OF NEW YORK.
 NATIONAL PARK BANK OF NEW YORK.
 NATIONAL SHAWMUT BANK OF BOSTON.
 NEW YORK TRUST COMPANY, NEW YORK.
 NORTHERN TRUST COMPANY BANK, CHICAGO.
 OAKLAND BANK, OAKLAND, CALIFORNIA.
 PACIFIC COAST TRUST COMPANY, NEW YORK.
 PEOPLE'S WAYNE COUNTY BANK, DETROIT.
 PHILADELPHIA NATIONAL BANK, PHILADELPHIA.
 RIGGS NATIONAL BANK OF WASHINGTON, D.C.
 ROYAL BANK OF CANADA.
 UNION NATIONAL BANK, ROCHESTER, MINN.
 UNION TRUST COMPANY, CHICAGO.
 UNION TRUST COMPANY, CLEVELAND.
 UNITED BANK AND TRUST COMPANY OF CALIFORNIA.
 WALKER BROTHERS, SALT LAKE CITY, UTAH.
 WELLS FARGO BANK AND UNION TRUST COMPANY, SAN FRANCISCO.

SOUTH AMERICA.

ANGLO-SOUTH AMERICAN BANK, LIMITED.
 BANCO DA PROVINCIA DO RIO GRANDE DO SUL.
 BANCO DE CHILE.

BANCO DE LA NACION ARGENTINA.
BANCO DEL PERU Y LONDRES.
BANCO HOLANDES DE LA AMERICA DEL SUD.
BANCO INTERNACIONAL DEL PERU, LIMA.
BANK OF LONDON AND SOUTH AMERICA, LIMITED.
BRITISH BANK OF SOUTH AMERICA, LIMITED.
FIRST NATIONAL BANK OF BOSTON.
TORNUST AND COMPANY, ERNESTO, LIMITADA, BUENOS AIRES.

WEST INDIES.

BARCLAY'S BANK (DOMINION, COLONIAL AND OVERSEAS), LIMITED.

HONOLULU (SANDWICH ISLANDS).

BANK OF HAWAII, LIMITED.
BISHOP FIRST NATIONAL BANK OF HONOLULU.

PAPEETE (TAHITI).

BANQUE DE L'INDO CHINE.

NOUMEA (NEW CALEDONIA).

BANQUE DE L'INDO CHINE.

