

**THE PROVINCIAL BANK'S STATEMENT.**

The statement for 1915 of the Provincial Bank of Canada, an institution which confines its operations to the three provinces of Quebec, Ontario and New Brunswick, suggests considerable commercial activity and a very fair degree of prosperity among its clientele. The Bank is one of the few institutions to report an increase of profits in comparison with 1914, and records also a relatively important increase in commercial loans and discounts. Six branches were opened during the year, including offices at the important centres of Quebec City and St. John, N.B. It is evident that under the management of Mr. Tancred Biennu, who has been connected with the institution since its foundation, this Bank now occupies a sound position and is making steady headway in its development.

**PROFIT AND LOSS ACCOUNT.**

Profits are reported as \$196,356, compared with \$194,215 in 1914, an increase of \$2,141 and equal to 11.9 per cent. upon the paid-up capital and rest combined. The balance forward made the total available on this account \$210,256. Of this amount the 7 per cent. dividend absorbed \$70,000; \$90,000 was devoted to writing down securities and to contingent account, and after payment of war tax on note circulation, and provincial, municipal and other taxes, and writing down bank premises, furniture and fixtures, the increased balance of \$16,039 is carried forward to the current year.

**THE BANK'S BALANCE SHEET.**

The following figures show the leading items of the Bank's newly published balance-sheet in comparison with 1914:—

	1915	1914
Capital paid up.....	\$ 1,000,000	\$ 1,000,000
Rest.....	650,000	650,000
Profit and Loss Balance.....	16,039	13,900
Circulation.....	1,090,258	1,156,878
Deposits.....	10,609,290	9,189,703
Total liabilities to public.....	12,624,276	11,820,921
Call loans.....	1,558,458	1,712,152
Quick Assets.....	7,558,256	7,366,061
Current Loans.....	6,163,903	5,878,814
Total Assets.....	14,369,492	13,484,821

Circulation is slightly less than a year ago, but deposits show a satisfactory increase of over \$1,400,000 to \$10,609,290. Call loans are down by \$150,000 to \$1,558,458. Current loans at \$6,163,903 show a net increase of almost \$300,000. The increase in commercial loans only, amounts to over \$600,000, but municipal loans decreased \$311,000. While the Bank has thus met the needs of its commercial customers a strong liquid position has been maintained. Holdings of cash and its equivalents at December 31st were equal to 27.4 per cent. of liabilities to the public, while total quick assets at \$7,558,256 are in a proportion of about 60 per cent. to liabilities to the public.

At their annual meeting on Wednesday, the shareholders unanimously voted a subscription of \$5,000 to the Canadian Patriotic Fund, a similar contribution having been made last year.

The Maryland Casualty Company has been licensed to transact in Canada the business of sprinkler leakage insurance and fly wheel insurance in addition to the business of accident, sickness, burglary, guarantee, plate glass and steam boiler insurance for which it was already licensed.

**WESTERN BANKING TROUBLES.**

The address of Sir Daniel McMillan, president of the Northern Crown Bank, at the adjourned annual meeting of the shareholders of that institution, fully explains why it is necessary to resort to the drastic step of cutting the capital stock by 50 per cent. In brief, the necessity for the present action is to be found in the too early distribution of dividends, and in too extensive investments in properties for premises. Consequently, when hard times came upon the West, and profits fell away, the Bank was not only unable to continue its dividends, but also had resources insufficient to provide for bad debts and the carrying of slow accounts. The present cut in capital will provide \$715,000 for reserve account, and a similar amount to be used in providing for depreciated assets, writing down properties and establishing a contingent account. By this means it is hoped to place the Bank in a sound position.

Obviously, the present directors and shareholders are facing a disagreeable situation courageously and it is to be hoped that with this arrangement completed, a new chapter in the Bank's career will open, marked by success and growing strength and importance. At the same time, it may be noted that errors of judgment corresponding to those in this Bank's policy in the past have been widespread, not only in the West, but throughout Canada. Particularly has the tendency been very strong both among individual business men and corporations to regard adequate liquid resources or working capital as an unnecessary luxury. This idea worked very well while things were merrily booming, but the first blast of adversity revealed the fallacy of it. Possibly, the severe lesson which the Northern Crown Bank and others have lately had in regard to this matter, will ensure for the future a policy more conservative and beneficial than the hand-to-mouth course of the past, which proved so disastrous immediately the financial weathercock moved from "set fair."

**THE COURSE OF NEW YORK EXCHANGE.**

With reference to the recent premium on New York funds in Montreal and Toronto, a correspondent points out that lack of shipping facilities to move grain is a probable reason for the movement. Other factors include the enlarged demand for exchange to meet Canada's interest payments abroad, while the scheme whereunder Canada is to take British Government bonds in part payment for shells and other munitions purchased in the Dominion tends to put a premium on New York funds through deferring the negotiation or withholding from the exchange market of the bills drawn on London against Canada's exports of war manufactures and of other supplies.

**THE "OLD EQUITABLE."**

The "old Equitable" of London, the ancient English insurance office which employs no agents and pays no commissions, reports net new business in 1915 of \$1,200,000, aside from annuities. This is considerably less than the new business of 1914, but is larger than that of 1912 or 1913. Death claims have been heavy, partly as a result of the war, and amount to over \$1,800,000 including bonus additions compared with \$1,500,000 in 1914.