

bonus absorb \$1,800,000; war-tax on note circulation, \$122,907; the annual contribution to the pension fund, \$80,000; subscription to British Red Cross Society, \$5,000. As a measure of precaution against further depreciation in securities held, a million dollars is set aside, and a balance carried forward of \$461,892.

The following are the leading figures of the present balance sheet in comparison with those of the two previous years:—

	1915.	1914.	1913.
	\$	\$	\$
Capital Stock.....	15,000,000	15,000,000	15,000,000
Res.....	13,500,000	13,500,000	13,500,000
Profit and Loss			
Balance.....	461,892	1,117,763	307,272
Circulation.....	16,397,908	14,942,558	15,642,923
Deposits (not bearing interest).....	52,964,795	41,690,512	52,798,206
Deposits (bearing interest).....	141,558,283	139,818,297	140,015,509
Total Liabilities to Public.....	220,932,234	215,218,904	230,618,524
Specie and Legals.....	39,901,993	30,337,215	30,415,656
Bank Balances			
Abroad.....	6,319,808	5,782,386	6,884,653
Call Loans Abroad.....	18,534,329	18,750,527	16,154,361
Canadian Call Loans.....	12,847,521	8,926,860	9,610,550
Total of Quick Assets	101,173,358	92,983,653	97,308,316
Current loans and discounts.....	140,920,867	142,588,076	154,576,890
Total Assets.....	250,421,840	245,364,399	260,030,721

LOANS KEPT UP.

In his address commenting upon the balance sheet, Mr. John Aird, the general manager, pointed out that in view of the general situation the Bank had thought it prudent to keep strong in cash reserves, particularly in gold, the medium for the settlement of international obligations, and that it might be the more readily available for such purposes they had carried an unusually large proportion at points outside of Canada. Mr. Aird also drew attention to the fact that the total of the Bank's loans shows an increase in comparison with last year, in spite of the shrinkage in general business, and rightly stated that facts of this kind are sufficient answer to those who are constantly asserting—without attempt at proof—that the banks fail to provide the necessary assistance for the commerce of the country. In regard to earnings, Mr. Aird mentioned the interesting fact that the Bank's records show that on the average every dollar of its assets is handled over 60 times a year, so that the figures at which they stand indicate a turnover of 15 billions of dollars during the year. In return for the immense labor and heavy responsibility involved in handling this huge sum, the Bank has earned slightly more than one-and-a-half cents on every hundred dollars.

TAXES OLD AND NEW.

(Continued from front page.)

the war period which are in excess of the three-year average. Suitable allowances could be made for new capital brought into use and losses. The machinery that is needed for this tax will probably be useful subsequently for further direct taxation, which it is not unlikely will be necessary when the whole bill for our war expenses, actual, prospective (pensions, etc.), and contingent comes into sight.

A POSSIBLE BANK AMALGAMATION.

The intimation by Sir Daniel McMillan, president of the Northern Crown Bank of Winnipeg, that certain proposals had been made to the directors, consideration of which necessitated the adjournment of the annual meeting until next week, has naturally led to much speculation in regard to the future of this institution, and the possible action of the Minister of Finance, should application be made for its amalgamation with another institution.

For several reasons, THE CHRONICLE would regret the disappearance of the Northern Crown Bank from the list of chartered banking institutions. That in its own field, it is rendering a public service is shown by the figures of its deposits (which have been considerably increased during recent months) discounts, and assets, which latter are over \$20 millions. Again, the Bank is almost purely a Western institution, and its disappearance through absorption by another bank would probably be followed by another outburst of harmful foolishness in the West about the "money trust" in Eastern Canada. The Bank apparently is now suffering the penalties of mistakes made in boom days, but that recently it has been managed with conservatism is seen in the large amount of cash and liquid assets held at November 30th last—51 per cent. in proportion to liabilities to the public—and by the allotment of a very large portion of last year's profits to contingent and depreciation accounts. In the auditor's opinion, however, "provision should be made for possible loss on certain loans which are not readily realisable and in reduction of the investment in properties." Judging from this, further allocations from profits may be necessary in order to bring loans and investments down to rock-bottom figures.

Upon the extent of the necessary provision in this connection, depends largely the matter of whether an amalgamation, supposing that one is proposed, should be sanctioned. If when the facts are submitted to him, the Minister of Finance finds that conditions are such that the Bank is not likely within a reasonable period to regain its lost headway, and that it is likely to become a weak spot in the Canadian banking system, then obviously an amalgamation should be sanctioned. If on the other hand, the facts indicate that with careful management the Bank will be able to pull through within a reasonable time to a better position, an amalgamation, in our opinion, should not be sanctioned. Whether an amalgamation should or should not be sanctioned depends in fact upon the condition of the Bank itself. This is the only test as to the necessity or desirability of amalgamation.

Work harder and save more, is a good motto for war times.—Sir Thomas White.