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Banking, Insurance and Finance

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BANK PENSIONS AND PREMISES.

In 1917 fourteen banks made appropriations from current earnings for officers' pension funds, and it is practically certain that two of the three banks not reported at date of writing will have in their annual statement appropriations for this purpose. That will make sixteen banks in the 1917 list, as against fourteen in the completed list for 1916. Since the commencement of the war several of the banks have temporarily discontinued the pension fund contribution, or dropped it for a year or two when profits were not very satisfactory. On studying the accompanying table on page 265, it will be seen that eighteen banks have in existence pension funds for which appropriations have been made during the last five years; and in case of one bank not represented in the list—the Bank of Montreal—there is a long established pension fund in operation.

The total of appropriations for 1917, as shown in the table, is \$463,808. If the British and Hamilton appropriations for the past year are assumed to be the same as in 1916, the total for the year would be \$547,000, which figure exceeds all previous totals excepting that for 1914. For the period of fourteen years covered by the table, the banks in this list have appropriated nearly \$4,300,000. During the second half of the term—since 1910—the appropriations have been on a scale twice as large as in the first seven years.

WRITING DOWN PREMISES.

The table of appropriations for writing down premises account shows that there was a revival of activity in 1917 in this connection. Ten banks appear in the list, and doubtless there will be two more when the returns are complete. In 1916 there were but six banks, and the total amount appropriated was the lowest in more than ten years. Last year's figures compare fairly well with those of 1914, but they are only half as large as the amounts written off in 1911, 1912 and 1913. In view of the large amounts applied for this purpose prior to 1914, the bankers evidently felt that they might cut down the figures when profits fell with the coming of the war. In the thirteen year period—1905-1917, nearly \$17,000,000 have gone to write down the premises account. This is an evidence of sound and conservative banking. Five of the banks show amounts in excess of \$1,000,000; in numerous cases the premises' account covers a latent reserve of some consequence belonging to the stockholders.

CANADIAN TRADE IN JANUARY.

The details of Canadian trade in the month of January throw considerable light upon the effect in food shipments to the Allies, of the bad weather and transportation difficulties during that period. Although the need is so urgent, our agricultural exports during January were only \$26,390,294 against \$91,216,447 in December, comparing also with \$22,550,924 in January, 1917, when the food situation abroad was not nearly so bad. Total exports during the month of January were \$96,216,284, compared with \$148,411,919 in December, and in spite of the rise in prices, slightly less than the total of exports reported for January, 1917, which was \$99,106,259. Imports during the month were \$60,677,414, a lower figure than for many months past, probably as a result of the difficulties experienced in securing necessary raw materials from the United States. Their figures compare with \$61,634,662 in December, and \$72,323,074 in January, 1917.

January's exports of agricultural products have been given above. Manufactured exports totalled \$41,383,115 against \$33,635,700 in December, and \$50,814,082 in January, 1917. Exports of animal products showed a fair increase, being \$15,918,079 against \$11,433,910 in December and \$11,745,761 in January, 1917.

THE INCOME TAX.

An announcement by the Department of Finance upon another page calls attention to the personal and corporate obligations now imposed in connection with the Dominion War Income Tax Returns by those individuals receiving an income exceeding \$1,500 in the case of unmarried persons and widows or widowers without dependent children, and upon income exceeding \$3,000 in the case of all other persons, corporations and joint stock companies, are required to be made before March 31st next. The obligations imposed upon individuals, corporations, trustees, etc., and employers are clearly set forth in the announcement, to the details of which readers are referred.

THE BANKS' SECURITY HOLDINGS.

An oversight in proof-reading made nonsense of a sentence in last week's front-page editorial regarding the banks' security holdings. The sentence in question should have read:—"The banks' holdings of Dominion and provincial securities were reduced during January by \$61,400,000, to \$127,310,016, at which figure they are, however, \$63,600,000 higher than at the close of January, 1917."

A sign of the times is a revision of the terms of British Government annuities. The present tables came into force in October, 1915, and are based on an average price of Consols of 66½, at which price the yield is 3¾ per cent.; prior to this the annuities were calculated on a 3 per cent. basis. The new tables will be on a 4½ per cent. interest basis, which is approximately the yield on Consols at 55½.

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Life insurance is designed to supplant the earning powers of the insured when he is gone. The only way to determine the amount of insurance one should carry is the light of what it will accomplish toward that end.—North American Life.