

ESTABLISHED 1832

**Paid-Up Capital**  
\$6,500,000



**Reserve Fund**  
\$12,000,000

TOTAL ASSETS OVER \$130,000,000

The strong position of the Bank of Nova Scotia not only assures the safety of funds left on deposit with the Bank but also places it in a position where it can readily care for any legitimate business needs of its customers. We invite banking business of every description.

## THE BANK OF NOVA SCOTIA

### U. S. BANK CLEARINGS.

Total bank exchanges last week at the principal cities in the United States, according to Dun's Review, amount to \$4,576,430,751, a decrease of 3.9 per cent as compared with the same week last year. Compared with two years ago, however, there is an increase of 7.0 per cent. The comparison this week is distorted by the fact that there were only five business days this year, while both in 1917 and 1916 the report covers exchanges for six days.

Figures for the week and average daily bank exchanges for the year to date are given below for three years:

	1918.	1917.	1916.
February . . . . .	\$835,941,000	\$867,567,000	\$704,387,000
January . . . . .	876,845,000	861,252,000	690,362,000
December . . . . .	925,879,000	970,675,000	687,898,000
November . . . . .	958,710,000	964,367,000	734,810,000

### JOINS LOCAL OFFICE.

Mr. C. S. Howard, lately of the foreign department of the Dominion Bank, head office, Toronto, has been appointed assistant manager of the Montreal branch in place of Mr. L. H. Seale, resigned.

### THE STANDARD BANK.

In its financial statement for the year ended January 31st, 1918, the Standard Bank at Toronto, last week, showed substantial gains in all directions.

Total assets at \$73,990,907 were more than \$14,000,000 higher than the previous year; liquid assets at \$32,348,775 were \$10,000,000 up, with the proportion of liquid assets to public liabilities 55.7 per cent. The bank's holdings of British and Canadian securities increased upwards of \$11,156,542.

The expansion of the year was based on a gain of nearly \$12,000,000 in deposits, which increased from \$46,292,564 to \$58,080,703.

As in the total assets, liquid assets and deposits, the statement of profits earned also represented new records for the bank. A new issue of \$500,000 stock at 200 was made in the autumn of 1916, and that the additional capital has been earning at a rate satisfactory to the shareholders is shown in the following table of profit and loss figures for three years:

	1917-18.	1916-17.	1915-16.
Profits . . . . .	\$649,546	\$580,230	\$563,401
Premium . . . . .	120,047	333,242	.....
Previous balance . . . . .	153,593	61,646	53,141

Total . . . . .	\$923,187	\$975,119	\$616,542
Less:—			
Dividends . . . . .	\$442,784	\$398,899	\$390,000
Reserve Fund . . . . .	120,047	333,242	.....
Depreciation reserve . . . . .	100,000	.....	100,000
Pension Fund . . . . .	20,000	20,000	15,000
Patriotic . . . . .	31,250	38,900	20,900
War tax . . . . .	33,891	30,483	28,996

Total deductions . . . . . \$747,972 \$821,536 \$554,896  
Balance . . . . . \$175,215 \$153,393 \$61,646

Rest account, it will be noted, has been increased \$453,289 by the transfer of the amount received as premium on new stock issued in 1916. It now stands at \$4,453,289, against an issued capital of \$3,500,000. In the past three years \$200,000 has been reserved against depreciation in the market values of high grade securities.

### FAILURES LAST WEEK.

Commercial failures this week as reported by R. G. Dun and Co. in Canada numbered 27, against 15 last week, 18 the preceding week and 31 last year. Of failures last week in the United States, 88 were in the East, 59 South, 78 West, and 29 in the Pacific States, and 104 reported liabilities of \$5,000 or more, against 61 the previous week.

### CANADIAN FAILURES.

Commercial failures in the Dominion for January numbered only 105, involving \$2,287,510, against 144 for \$2,357,694 a year earlier, 200 for \$3,038,805 in 1916 and 374 and \$3,523,710 in 1915.

The aggregate of debts in trade were \$507,903, less than half those of 1917, showing an even greater decline from 1916 or 1915, and actually falling below all years since 1907.

Brokers, agents, etc., report liabilities amounting \$9,501, contrasting with \$619,955 in 1917.

Manufacturing disasters, on the other hand, while fewer in number, covered indebtedness of \$1,770,106, or the heaviest in our record.

### GERMAN INVESTMENT SECURITIES DECLINING IN VALUE.

In a late issue of The Annalist of New York, under the caption "The effects of the war on German Life Insurance Companies," Arne Fisher, F.S.S., says:

"In the beginning of the conflict the Imperial war loan was considered an excellent investment on account of its high rate of interest of more than 5 per cent, whereas the average yield of ordinary investments was only about 4.5 per cent. Moreover, the first war loans were, at a time when German still professed belief in a speedy victory, considered a very safe investment. Of late, the situation has changed somewhat. Many companies, among which may be mentioned the famous old Gotha Life, have, under the cover of patriotic motives, tried to unload some of their war securities on unsuspecting policyholders by declaring themselves willing for the sake of the Fatherland to pay matured claims in war bonds instead of cash. In fact, most of the companies have encouraged the beneficiaries under the terms of the policies to take war bonds instead of cash at the time of maturity of the policies.

"This situation is of some interest to the nations at war with Germany, as it certainly does not indicate much faith among the German life insurance institutions in the ability of the Imperial Government to meet its future obligations.

"Another peculiar fact is the announcement by the Gotha in its annual report that this company attempted to purchase a large block of recent Swiss and Danish Government loans, but succeeded in getting less than one-tenth of the amount applied for. It is indeed an ominous sign when the companies try to unload their heavy holdings of Imperial bonds on unsuspecting policyholders and make a mad rush for investments in neutral countries, at a considerably lower rate of interest than is earned on domestic bonds, besides sustaining a heavy loss due to the low value of the German mark abroad."

This is a matter of much interest to several American life insurance companies having large sums invested in German securities. One prominent American company alone had on January first last \$22,933,690 invested in special deposits in Germany, compulsory under German laws, of which, however, \$4,779,924 was in policy loans.

### ACADIA SUGAR REFINERY.

The report of the directors of the Acadia Sugar Refinery Company of Halifax has just been mailed to shareholders together with a call for the annual meeting to be held on March 22nd. The profit and loss account shows the item "net trading loss \$67,042." In the liabilities column under the head of loans, are two items against bonds of the company, \$1,456,730 from bank and current \$1,013,972, a total of \$2,470,702. The interest on loans was \$220,394. The report is for a fifteen months' period.

The directors in expressing regret that the operations for that period show a loss, say that the principal factors in bringing about this result were the continued low prices ruling for refined throughout the year, as compared with raws, coupled with the steadily increasing cost of labor, coal, packages and other materials used in refining and the reduced quantity of raw sugar melted during the year.

### ILLINOIS TRACTION CO.

The preliminary statement the Illinois Traction Company for 1917 shows an increase of \$1,394,351 in gross earnings for the year, but a decrease of \$175,204 in net after taxes. The gain in gross amounted to 11.39 per cent, against 10.14 per cent. in 1916, and only 1.59 in 1915. The decrease of 3.70 in net earnings, however, contrasts with a gain of 7.15 per cent. in 1916, and a gain of 1.34 per cent. in 1915.

Gross earnings, expenses and taxes and net earnings for the past three years compare as follows:

	1917.	1916.	1915.
Gross . . . . .	\$13,632,517	\$12,238,166	\$11,110,400
Exp. . . . .	9,068,973	7,499,417	6,689,119
Net. . . . .	\$ 4,563,544	\$ 4,738,748	\$ 4,422,289

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President.

SIR JOHN AIRD, General Manager.  
H. V. F. JONES, Assistant General Manager.

**Capital Paid Up, \$15,000,000**  
**Reserve Fund, \$13,500,000**

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