

The Chronicle

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THE BANKS' CAPITALS.

One result of recent banking amalgamations and failures is seen in a reduction in the amount of the paid-up capitals of the banks compared with a year ago. At May 31 last, the paid-up capital of the twenty-two active banks was \$113,982,653, compared with \$114,811,775 at June 30, 1914. The reduction is accounted for by the failure of the Bank of Vancouver with a paid-up capital a year ago of \$441,844 and by the amalgamation of the Metropolitan Bank with the Bank of Nova Scotia. The paid-up capital of the Metropolitan Bank was \$1,000,000, and under the arrangement made with the Bank of Nova Scotia the Metropolitan's shareholders received only half a share of Nova Scotia stock for each Metropolitan share held, the balance of the purchase price being paid in cash. Thus, through this arrangement, there was a reduction in the nominal amount of the banks' paid-up capital of \$500,000.

The net decrease in the banks' paid-up capital during the eleven months marks the termination of the remarkable movement in the increase of the banks' capitals which has been seen during recent years. In the year ending June 30, 1912, the banks increased their capitals by no less than \$11,523,231, this very large increase being followed by one of \$3,602,550 in the twelve months ending June 30, 1913, and by one of \$1,620,688 in the year ending June 30, 1914. The increases in each case are net, after the adjustments consequent upon bank amalgamations have been made. It was obvious even before the war broke out that this notable movement of expansion in Canadian banking capital had for the time being come to an end. For several months prior to the war no new issues were announced, and it was clear that with perhaps the exception of some of the smaller banks whose capital accounts are practically always open that the banks' capital accounts generally had achieved a periodical finality.

It is hardly likely that another move forward will be made by the banks' capitals for several years.

Meantime it is interesting to note in perspective the remarkable growth which has taken place in this connection since the opening of the present century. In that period, the complexion of Canadian banking has undergone very remarkable changes, owing to the weeding out of small local banks, either by their failure or by their absorption into larger institutions. At the beginning of 1900, there were 36 banks transacting business in Canada, their combined paid-up capital being \$63,584,022. At the present time the number of banks has been reduced to twenty-two, but their paid-up capital, as stated above is \$113,982,653. The paid-up capital has been increased by 80 per cent. in 15 years. Some very notable advances have been made by those banks which have survived during the 15 years and continue to transact business. The list of them with a comparison of the capitals is as follows:—

	Jan. 1, 1900.	May 31, 1915.
Montreal.....	\$12,000,000	\$16,000,000
Quebec.....	2,500,000	2,734,620
Nova Scotia.....	1,760,900	6,500,000
British.....	4,866,667	4,866,667
Toronto.....	2,000,000	5,000,000
Molsons.....	2,180,645	4,000,000
Nationale.....	1,200,000	2,000,000
Merchants.....	6,000,000	7,000,000
Union.....	2,000,000	5,000,000
Commerce.....	6,000,000	15,000,000
Royal.....	*1,985,070	11,560,000
Dominion.....	1,500,000	6,000,000
Hamilton.....	1,500,000	3,000,000
Standard.....	1,000,000	3,000,000
Hoehelaga.....	1,482,200	4,000,000
Ottawa.....	1,720,380	4,000,000
Imperial.....	2,344,925	7,000,000

* As Merchants Bank of Halifax.

The figures serve to bring out strikingly the immense strides which have been made by the banks since the opening of the present century and the great growth of their resources and operations. In the last two years, Canada has had good reason to be thankful that her financial system has been upheld by such sturdy foundations, and that large and strong banking institutions, instead of a medley of small and weak ones, have been encouraged and developed by our banking legislation.

RETIREMENT OF MR. A. J. RELTON.

The retirement is officially announced of Mr. A. J. Relton, Manager Fire and Casualty Departments, Guardian Assurance Company, London, England, after a service of practically forty years. Mr. Relton entered the service of the company in 1876. Some years later, on his appointment as Fire Manager, Mr. Relton had the distinction of being the youngest in years manager of a large British fire office. He is well known throughout Canada, having visited this country regularly for many years, and deservedly popular. Mr. Relton's rank as a fire underwriter is of the highest order, combined with remarkable executive and administrative talent.