

THE ROYAL BANK OF CANADA

Taylor, M. Dwyer and Edward Smith were elected directors. A statement of the business of the late proprietary institution up to October 1st was read, which showed a paid-up capital of \$300,000, a Reserve Fund of \$20,000, Deposits of \$284,656, Current Loans of \$266,970, and Total Assets of \$729,163. At the first meeting of directors on the following day Thomas C. Kinnear was unanimously chosen President.

Times had changed since 1864. With the surrender of the South, war-time prosperity had ended; the failure of the fisheries in '67 and '68 had caused great distress in the coastal villages of Nova Scotia; and the expiry of the Reciprocity Treaty with the United States had deprived Halifax of a paying trade in many commodities. It was a time for caution, and one of the by-laws of the bank, afterwards repealed, provided that no discounts whatever should be granted unless approved by the President and at least one Director. Business increased so rapidly that President Kinnear soon found himself unable to devote the necessary time to the duties of his office, and Thomas E. Kenny, son of one of the original founders, who had already given proof of outstanding ability, was elected his successor.

The former co-partnership had been local in its operations, but the new President had a vision of an expanding bank, and branches were opened at Pictou in 1870, at Antigonish, Bridgewater, Lunenburg, Truro and Weymouth in 1871, and at Sydney in 1872. So prudent was the administration of Mr. Kenny and his co-directors that at the fourth annual meeting he was able to make the announcement, unique in banking annals, that during the year 1872, with current loans amounting to \$1,278,850, the bank had not lost one dollar by bad debts. A dividend of eight per cent. was declared and \$40,000 added to the Reserve.