

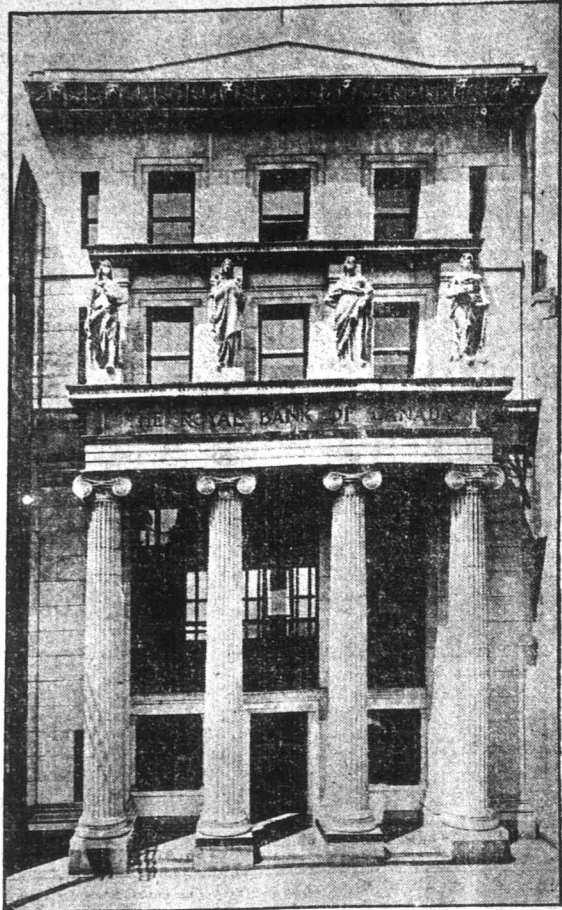
# HISTORY AND GROWTH OF CANADIAN FINANCIAL AND INDUSTRIAL INSTITUTIONS

## No. 9--- ROYAL BANK OF CANADA.

Confederation and the years immediately succeeding it seem to have been a prolific period for the formation of banks. In a measure it was an opportune time to commence forward movements. The old isolated system by which the provinces existed as separate units gave way to Confederation, under which

checked career and point with pardonable pride to the fact that it is the third largest bank in the Dominion.

In 1864 a co-partnership called the Merchants Bank (x) had been established at Halifax, with J. W. McKell as president, and George MacLean as cashier. In



HEAD OFFICE, ROYAL BANK.

four of the leading provinces united. This gave greater stability to business enterprises as well as an enlarged field.

The Royal Bank of Canada commenced operations two years after Confederation, being established in 1869. For the first thirty years its operations were

1869 this bank secured a charter incorporating it as a joint-stock institution and was known thereafter as the Merchants Bank of Halifax, with Thomas G. Kinneor as Chairman. The authorized capital was \$1,000,000, of which only \$500,000 was offered for subscription. Mr. Kinneor died shortly after being



E. L. PEASE, Vice-President and General Manager Royal Bank of Canada.

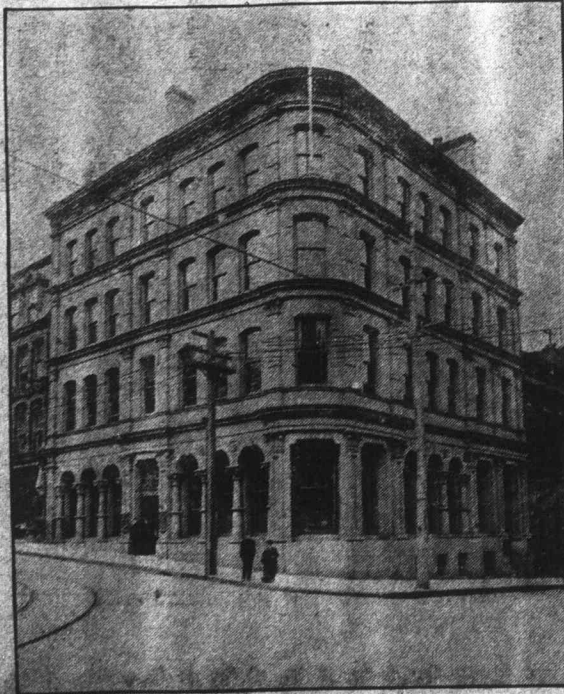


C. S. WILCOX, President, Steel Company of Canada, a director of the Royal Bank.

continued very largely to the Province of Nova Scotia and owing to the commercial and industrial depression which characterized that Province for a portion of that time the bank made slow progress. It had had its full share of ups and downs but is now in a position to look back over a more or less early

made president and was succeeded by Thomas E. Kenny, who remained as president until his death in 1906. George MacLean was the first cashier, a title which has since been dropped and that of General Manager substituted.

Later on a considerable amount of confusion arose



ROYAL BANK BUILDING AT HALIFAX.

### LONDON'S HOTEL BUSINESS MAINTAINED ON GOOD LEVEL

London, Eng., December 19.—Sir Joseph Lyons, at the annual meeting of the Strand Hotel, informed the shareholders that two months of war had only affected profits to a slight extent in the year ended September, while, compared with each of the three years to 1912, an increase was shown. That is good evidence of the Strand Palace Hotel's popularity.

There is no cause for anxiety at the moment, but, as the chairman pointed out, the dislocation of the ordinary life of the community by the war may have a restrictive, if temporary, influence on earnings.

The Regent Palace Hotel is expected to be opened for business next spring and the plans for the enlarged scheme in connection with the Baker Street Hotel have been passed.

The dividends on the Participating Preferred Ordinary shares and on the Deferred are, for the fourth successive year, maintained at 9 per cent.—a satisfactory achievement in the circumstances—and £2,000 more than the amount brought in is carried forward.

### GRANTING PERSONAL CREDIT

In the granting of personal credit two things are necessary to determine: First, that the applicant is honest and well regarded by those in position to know; and, secondly, has the funds, in expectancy, at least, to meet the debt as it falls due. He has "discounted the future"—will the future bear discounting? These are the questions to determine.

The starting point lies in the application. This preferably is an envelope of good quality, so that the information may be filed therein, with the original data written on the outside. Too much information cannot be obtained. You can never know too much about the applicant. The problem is to get it diplomatically, and correctly and without offence to the delicacy that attends the asking for credit, particularly personal credit.

The application includes: First, the full name of both husband and wife. Most of the credits in retailing are opened by the wife who does the shopping, and generally in her own name. (It is estimated that fully eighty per cent. of personal credits is with women.) But the husband being the bread-winner is the important element to consider.

Next, the residence and how long there. Long tenancy is a good omen. "Movers" are not as a rule desirable, either as tenants or as credit risks. Husband's occupation and how long employed in present and past positions. References come next. These are usually two in number, and are preferably those who have dealt in a business way with the applicant, and especially on credit.

between the Merchants Bank of Halifax and the Merchants Bank of Canada, with headquarters at Montreal, and to obviate this the directors of the former decided to change the name of their bank to the Royal Bank of Canada. This change took place in 1900, at which time additional capital was brought into the bank. Mr. Pease appointed General Manager, the Head Office moved to Montreal, and a forward policy adopted. This progressive policy has been maintained ever since, so that it is doubtful if any bank in Canada has made more rapid strides since the commencement of the century than the Royal Bank. The new name came into effect on the 2nd of January, 1901, at which time the bank had a total of 42 branches, of which 15 were in Nova Scotia, 10 in New Brunswick, 2 in Prince Edward Island and 1 in Newfoundland, leaving a very small representation for the rest of the Dominion and for the West Indies. To-day the bank has 378 branches, of which 340 are in Canada. The bank has not only expanded from within as a result of natural growth, but has also enlarged its field through the absorption of outside banking institutions. In 1903, the Royal Bank purchased the assets of the Banco de Oriente at Santiago, Cuba. In 1910, it purchased the Union Bank of Halifax, an institution with a paid-up capital of \$1,500,000, a reserve fund of \$1,250,000 and total assets of over \$15,000,000. Later, the Royal Bank purchased the Traders Bank, an institution which had built up a large business in Ontario and in parts of Western Canada, where the Royal Bank was not well represented. The result of this mer-

ger was a large increase in the bank's assets, in the number of its branches and in its importance as a banking institution. To-day, the Royal Bank has a paid-up capital of \$11,500,000, a reserve fund of \$12,500,000, total deposits of \$128,000,000, and total assets of over \$180,000,000. When it is remembered that at the beginning of the century, or in 1900, the bank had a paid-up capital of but \$2,000,000, a rest account of \$1,700,000, deposits of \$12,000,000, and total assets of \$17,000,000, one gets some idea of the remarkable progress made since Mr. E. L. Pease became General Manager, and Mr. C. E. Neill assistant general manager. At the present time the bank's affairs are directed by the following:—

H. S. Holt, President.  
E. L. Pease, Vice-President and General Manager.  
E. F. B. Johnston, 2nd Vice-President.  
Wiley Smith, Halifax, N.S.  
Hon. D. Mackeen, Halifax, N.S.  
James Redmond, Montreal.  
G. R. Groves, Winnipeg, Man.  
D. K. Elliot, Winnipeg, Man.  
Hon. W. H. Thorne, St. John, N.B.  
Hugh Paton, Montreal.  
T. J. Drummond, Montreal.  
Wm. Robertson, Halifax, N.S.  
A. J. Brown, K.C., Montreal.  
W. J. Sheppard, Waukegan, Ont.  
C. S. Wilcox, Hamilton, Ont.  
A. E. Dymont, Toronto, Ont.  
C. E. Neill, Montreal.

(x) From J. Castell Hopkin's Canadian Annual Review of Public Affairs, 1916.

### THE CHRISTMAS SEASON.

(By Peter McArthur.)

Ekfrid, December 19th.—For the past few days we have had all the disadvantages of winter with few of the compensations. We have had high winds, sharp frosts, too much snow for wheeling and not enough for sleighing. Owing to the dry fall there is no water in the ponds and there is very little prospect of skating for Christmas. But there are indications of a change. This forenoon when I went to cut the ice on the Government drain so that the cattle could get water (Sh-h-h!) I know that is not scientific farming, but it is very common in the country, as soon as I broke through the ice the water spouted up like a fountain and began to flow along on top. Ever since I can remember that has been regarded as a sure sign of a change and there may be something like the mercury in the barometer and the weather may be indicated by its rising and falling. Anyway, it is clouded over this afternoon and flakes of snow are sitting down. The air feels milder, though the thermometer still stands at about twelve degrees above zero. If snow comes, even a few inches, we shall have good sleighing for the roads are hard and fairly smooth. With sleighing for the Christmas shopping and visiting the annual festivities may be enjoyed in spite of the horrible war. Even if the warring nations may not be willing to declare a truce for the Christmas season we can at least declare a truce with the newspapers and confine our reading to the headings that are printed in black type.

If the present weather continues without a thaw and a good rain there is danger of a severe scarcity of water in the country. Wells that went dry in the summer time are still dry and the water low in the best of them. Owing to the careful drainage there are no longer ponds of any extent to hold water and a drought even in the winter time would be a real calamity. Of course where there are artesian wells there is plenty of water at all seasons, but in some places it seems as if they could not find water if they bored straight through to China. Even where there is water in ponds and drains it will not last many days of such frost as we have been having to freeze it all solid. The consequence is that although we may be wishing for clear frosty weather for Christmas so that we may enjoy it as in other years we have a sneaking hope that there will be a big thaw and a wet spell so that the supply of water may be replenished. Personally, I have no fear of running out of water for there is a spring pond where the cattle get their water in the summer, but it is at the other end of the farm, back of the wood-lot, and it will be a nuisance to have to drive the cattle to it every day.

I see by despatches from Ottawa that the Department of Agriculture proposes to send experts through the country to urge on farmers the necessity of producing more, not only because of the needs of the war, but because the country needs to increase its exports so as to develop a satisfactory trade balance. In common with many others I am anxious to know what the experts will propose. I fail to see how production can be increased without an improvement in agricultural conditions. Competent labor is just as hard to get as ever and money is dear. The farms are under-manned and unless there can be some improvement along these lines there will be little increase of production. There are a good many agricultural problems awaiting solution before there can be a noticeable increase of products. As a class, the farmers are over-worked and even if some of them may be prospering, most of them are so harried and hurried by the everlasting round of work that they have no time or energy to enjoy the fruits of their labor. And there is another side to the question of greater production. Every once in a while I see paragraphs in the papers saying that the enlistment of soldiers in the rural districts is very slow. In reply to this I pointed out some weeks ago that young men of military age are very scarce in the country, and if they volunteer there will be little opportunity of increased production. Every young man of my acquaintance would leave a hundred acre farm unworked if he went to the front, and most of them would leave a young family to be cared for. The military and agricultural experts should get together and decide which is needed most at the present time, men or products. At present their appeals are contradictory and are causing confusion. But while I am dealing with this delicate point, I wish to point out that the country has given more recruits than it is credited with. Many of the young men who enlist from the cities are country-born, and although they are numbered with the urban recruits their parents are still living on the farms. I know of quite a number of country parents whose sons have been credited to the cities because it is some years since they left the farms and took up city occupations. I think that an examination would show that a very large percentage of our recruits should be credited to the farms. It is because the towns and cities have drained the farms of their young men that they now have men to enlist for military service.

Christmas celebrations this year are something of a problem for few have the heart for gaiety with the world in its present state. Still, Christmas is at all times the day of generous giving and this year we would do well to emphasize this feature of it. Never before has there been such a demand on our generosity as at the present time. The starving Belgians are enough to cast a shadow on our festivities unless we have done what we can to relieve their necessities. It seems as if every one in the world were being put to the proof just now. Those who fight are proving their courage and patriotism, and the non-combatants of all nations are being tested as to their kindness of heart and generosity. The soldiers are proving that they are not lacking and it behooves us who are living in peace to show an equal worthiness. No man should sit down to his Christmas dinner this year without the consciousness that he has done his part to make a Christmas endurable to others in the sorely stricken world, and it will not do to devote attention to the war sufferers alone. We have a "Made-in-Canada" poverty that is just as pitiful as any other. With these thoughts in mind I ask permission to wish the readers of this column not "A Merry Christmas and a Happier New Year," but a "Kindly Christmas and a Happier New Year."

**DISTILLING CO. OF AMERICA.**  
New York, December 18.—Distilling Company of America declared regular quarterly dividend of 3/4 of 1 per cent. on preferred stock, payable January 3rd of stock of record January 11th.

**SOME CHRISTMAS BONUSES.**  
New York, December 19.—The Board of Trustees of the Fulton Trust Company of New York have voted to distribute a Christmas bonus of 10 per cent. of the annual salary to its employees.

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## Journal of Commerce

### THE LEADING BUSINESS MAN'S NEWSPAPER

# Journal of Commerce

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### GRAIN MARKETS

## STEADINESS OF Values Ruled Generally Higher Large Buying for Export, spite Freight Rates

### CORN AND OATS FOLLOW

Italy Needs Much Wheat from Abroad Being Smaller this Year—Italy Will Buy From United States, According to Milan

[Exclusive Leased Wire to the Journal of Commerce, Chicago, December 19.—The grain market steady during the week, and values ruled higher. The most important feature of the trade was the large buying for export accounts kept up steadily and despite advanced freight rates. Receipts at interior points were comparatively light, while export clearances were placed the condition of winter wheat at \$8.35, below the ten-year average of 95¢ and compared with a condition of 97.2 a year ago. Owing to the member showing is not a reliable basis on which are the probable crop, however, not much sign was attached to this item of the report. A crease was shown in the area sown, the total 4,253,000 against 37,125,000.

This item indicates a large winter wheat crop without allowing for deterioration in condition of acreage, a crop of 718,000,000 is indicated. Corn and oats followed the movement of wheat to a large extent. There was a falling off in wheat receipts of corn, however, which was also an indication. Cash demand showed considerable interest in both corn and oats.

The Italian Minister of Agriculture, Signor Sola, answering an interpellation in the Senate regarding the amount of wheat necessary for the country, said that Italy had produced 46,000,000 bushels and needs 10,000,000 from abroad. (A quantity of 220 pounds).

The government, said the Minister, had arranged for all the wheat required by the army until August, 1915.

When the war closed the Russian and Roumanian markets from which most of the wheat was imported it was found necessary to overcome many difficulties to reach the American market, principally the payment in gold, which was hampered by the moratorium. Now the importations from America are increasing daily, added the Minister, from forty steamers crossing the Atlantic coast carrying excellent wheat cheaper than that which could be purchased in Argentina. There was, therefore, no danger of a wheat famine.

**THE HOP MARKETS.**  
New York, December 19.—The Pacific coast markets continue firm, but the demand has fallen to a minimum. The growers, however, are firm in their views, particularly for the top grades.

|          | Week ended | Dec. 18 | 1914   | to date |
|----------|------------|---------|--------|---------|
| Receipts | 1914       | 1913    | 1914   | to date |
| Exports  | 2,959      | 1,781   | 20,597 | 7       |
| Imports  | 522        | 2,794   | 20,597 | 7       |
|          | 984        | 429     | 8,248  |         |

The quotations below are between dealers in New York market, and an advance is usually observed from dealers to brewers.

| States, 1914—Prime to choice 26 to 25; medium | 20 to 25. |
|---|-----------|
| 1913—Nominal. Old, olds 7 to 8.               |           |
| Germany, 1914—37 to 39.                       |           |
| France, 1914—Prime to choice 14 to 15; medium |           |
| 1913—8 to 10. Old, olds 7 to 8.               |           |
| Bohemian, 1914—35 to 43.                      |           |

### THE HIDE MARKET

New York, December 19.—There were no new developments of any kind in the market for corn dry hides yesterday.

### COAL

GET YOUR COAL BINS FILLED NOW AND SO AVOID TROUBLE AND DELAY LATER.