

# Royal Bank Will Help to Bring More Foreign Trade to Canada

**Sir Herbert Holt, President, Pays Graceful Tribute to Valour of Canadian Soldiers—Edson L. Pease, Vice-President and Managing Director, Deals With the Policy of the Bank in Foreign Fields and Announces Important Extensions—C. E. Neill, General Manager, Refers to Features of Growth and Expansion of Past Year.**

MONTREAL, January 14 (Special).—The Annual Meeting of the Royal Bank of Canada was marked by announcements of the greatest importance to the extension of the foreign trade of the Dominion.

For the past few years it has been evident that just as soon as the war was over Canada would have to go energetically after foreign trade in order that the industries of the country might continue to maintain as large a percentage as possible of the increased production obtained during the war period. In addition, this foreign trade would be a vital factor in the maintenance of a favorable trade balance.

Sir Herbert Holt, the President, referred particularly to the remarkable achievements of Canadian industries during the war period. Sir Herbert expressed confidence that the Trade Mission established in London would be able to secure for Canada a share proportionate to the sacrifices made in the business arising out of the reconstruction work in the devastated countries. Arrangements would no doubt be made for an equitable distribution of orders in Canada, and these will require financial support from all the banks similar to that accorded to munition and other war contracts. Some little time must elapse before trade projects can bear fruit and factories be refitted. To provide for the consequent period of unemployment the Government has announced its intention of proceeding with public works, which it is to be hoped will be confined to improving our waterways, port facilities and public roads, and in addition, has offered loans for housing purposes through the provincial authorities.

Sir Herbert paid a striking tribute to the valour and achievements of Canada's soldiers, and urged that gratitude for their heroic service should be shown in tangible form. The country is their debtor. Satisfactory employment should be found for every returning soldier who is fit to work, and relief extended to the maimed and crippled. In the Bank, unless there is some good reason to the contrary, every officer who enlisted and who applies for reinstatement within a reasonable time after his return, will be re-engaged on the salary to which he would have been entitled had he continued in the service, subject to reasonable adjustments where necessary.

Sir Herbert, referring to the more important developments within the country, said:

"The Business Profits War Tax Act ceased to apply on the 31st of December, 1918, except in the case of any company or person who had failed to make returns. The Minister of Finance wisely has made the provisions of this act practically co-terminus with the period of earning of large profits incidental to special business during the war. If labour is to be given its full opportunity, the capital which finds employment for it must not be hampered."

Dealing with the growth and expansion of the Royal Bank, Sir Herbert said:—

"In July last we consummated the purchase of the assets of the Northern Crown Bank, which aggregated \$27,819,291. After closing 14 offices, at points which we already had branches, we secured through this amalgamation 76 branches in Manitoba and the North West, excellently located, and 20 in Ontario. In this, as in previous amalgamations, you will see that our position was very definitely strengthened in a particular district. With the Union Bank of Halifax we improved our connection in the Maritime Provinces, with the Quebec Bank in the Province of Quebec, and with the Traders Bank of Canada in the Province of Ontario."

## NECESSITY OF SECURING FOREIGN TRADE.

Mr. Edson L. Pease, Managing Director, dealt particularly with the urgent need that existed for Canada to go after foreign trade and insisted that extension of export trade was vital to the commercial self-preservation and future economic welfare of the country. Only by creating a large favourable balance of trade, he said, could we hope to meet the interest on our foreign debt. Canadian Banks could effectively aid export trade by establishing branches in foreign countries and supplying information to the Canadian exporter. British banks existed in almost every foreign country and proved a powerful factor in the development of Great Britain's world-wide trade. The Royal Bank, with its complete organization, had already helped the Dominion materially, but it was the intention of the Directors to pursue a policy that would mean greater business to the country. On this account Mr. Pease took occasion to refer more particularly to the Royal Bank's operations in foreign fields, and the policy of the Bank in that direction. Mr. Pease said in part:—

"In June last we established a branch in Barcelona, Spain, in order to participate in the large trade between that country and her former colonies, where we have many branches, and I am pleased to say the results have greatly exceeded our expectations.

"We are now preparing to open in Paris, France, in order to secure a share of the commerce which is expected to develop with Canada in the rehabilitation of northern France and Belgium.

"With a view to the extension of Canada's foreign trade and encouraged by our past success in this field of banking for which we are well equipped, we have decided after long consideration and carefully studying the situation, to open three additional branches in South America, Rio de Janeiro, Brazil, Buenos Ayres, Argentine and Montevideo, Uruguay. Members of the staff for these branches have already been selected, and are about to leave for South America."

In establishing in foreign countries for the purpose of fostering Canadian trade it does not follow that Canadian deposits would be diverted to foreign fields—the experience of this Bank has proved the contrary. Our foreign deposits have always exceeded our foreign commercial loans, as the Government returns show. The present excess is over \$15,000,000. We have now had twenty years' experience of banking in Cuba, the West Indies and Central and South America. During this period our losses have been infinitesimal, much under the percentage incurred in Canada, because the business represents chiefly the movement of staples, accommodation paper being inconsiderable. That Canada's trade is benefitted by these branches is shown by the numerous business enquiries we receive. At the same time it cannot be said that we have neglected home interests. The number of our branches in Canada exceeds that of any other bank."

## GROWTH OF PAST YEAR.

Mr. C. E. Neill, General Manager of the Bank, in reviewing the financial report, pointed out that the statement submitted was the best that had ever been laid before the shareholders of the Bank. He drew attention to the fact that the total assets were now \$427,512,982.91, the increase for the year being over \$90,000,000, and the growth in deposits not less than \$80,000,000; that the substantial expansion in current loans indicated the Bank was doing its share in taking care of the commercial requirements of the country. Mr. Neill further stated:

"The liquid position of the Bank is more favourable than it was last year, the percentage of liquid assets to liabilities to the public having increased

from 53.9 p.c. to 56.59 p.c. From the standpoint of cash reserves, we are also stronger, the percentage of cash to liabilities to the public being 17.13 p.c. as against 16.36 p.c. the previous year.

"The substantial growth in the Bank's assets has resulted in a pronounced increase in earnings. Net profits for the year were \$2,809,846.24, being 10.19 per cent. on the combined capital and reserve as compared with \$2,327,979.51, 8.82 per cent. on capital and reserve the previous year. The marked growth in the bank's general business is due to the activities in all branches of trade and increased value of agricultural production.

"We must now grapple with the problems of a period of deflation and reconstruction, and we do so with the strong conviction that no serious difficulty will be encountered in surmounting them."

## ELECTION OF OFFICERS.

Prior to the election of the board of directors for the ensuing year a motion was adopted to increase the number of directors from 20 to 22, by the election of two representatives of the Northern Crown Bank, recently absorbed by the Royal. The subsequent election added the names of Capt. Wm. Robinson, Winnipeg, formerly president of the Northern Crown, and A. McTavish Campbell, Winnipeg, as directors of the absorbed bank.

The board of directors stands as follows: for the ensuing year:—Sir Herbert Holt, president; E. L. Pease, vice-president and managing director; E. F. B. Johnston, K.C.; second vice-president, C. E. Neill, general manager; Jas. Redmond, G. R. Crowe, D. K. Elliott, Hon. W. H. Thorne, Hugh Paton, Wm. Robertson, A. J. Brown, K.C. W. J. Sheppard, C. S. Wilcox, A. E. Dymont, Sir Mortimer B. Davis, G. H. Huggan, C. C. Blackadar, John T. Ross, R. MacD. Paterson, G. G. Stuart, K.C., Capt. Wm. Robinson, and A. McTavish Campbell.

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