

# The Chronicle

**Banking, Insurance and Finance**

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## BANK PENSIONS AND PREMISES.

In this issue THE CHRONICLE presents the last of its special series of banking articles and tables, the latter being published on page 281. This gives details of the appropriations by the individual banks for pension funds and writing down premises account over a period of thirteen years. Last year's article on this subject intimated that in regard to pension fund contributions a new high record had been attained in 1914, no less than eighteen banks contributing for the purpose. On examining the 1915 reports it is seen that there are five of the banks which contributed in 1914, missing from the list. The others managed to set aside sums for the pension fund, but in a few instances the amount was less than in 1914. The aggregate amount set aside is less than in the three years immediately preceding, but greater than the total shown for any year prior to 1912. It should be remarked that where generous amounts had been set aside for a number of years, the omission of the contribution for one or two years would not affect the fund adversely.

The table shows that in the fourteen years, 1902 to 1915, the banks mentioned set aside an aggregate of \$3,553,267. This year a couple of the absorbed banks which had pension funds were omitted from the list. These banks had provided for their pension funds, \$75,000. There is no doubt that the large contributions made by the banks to Patriotic Funds, Red Cross, and other war funds, have made it more difficult to keep up the regular appropriations for pension funds.

### THE PREMISES ACCOUNT.

On turning to the table relating to Premises Account one sees a striking change. In 1914 there was a sharp decrease in the aggregate set aside for this purpose, the total falling from \$2,144,699 to \$1,191,164. Fifteen banks appropriated in 1913 as against fourteen in 1914. In the 1915 list only six appear; and with the exception of the Royal's appropriation of \$250,000 the amounts are not large. The total for the year is \$404,289—less

than one-fifth of the 1913 total. During the prosperous years prior to 1914 the appropriations for writing down premises were very large; and in the thirteen years covered by the table the aggregate amounted to nearly \$17,000,000. Thus, as the banks had freely written down the item until it stands, in the cases of a number of institutions, at less than 50 per cent. of the actual value of the property represented, it might well be considered that in a year of adversity the matter could quite properly be suffered to stand over. In such years as 1915 and 1914 the important thing is to make proper provision for bad and doubtful debts. This has been done, as reference to the depreciation column of Table II, published on February 18th, amply shows. When more prosperous times are seen we may be sure that the work of writing down the premises will be resumed. In this connection it is worthy of remark that the capital expenditures on premises have been considerably cut down in the last two years.

### CANADA'S CREDITS TO THE IMPERIAL GOVERNMENT.

It is stated that during the current month, an amount of \$25 millions will be placed to the credit of the Imperial Government by the Canadian Government from the proceeds of the Dominion War Loan. Previously about \$15 millions has been similarly advanced leaving after the close of March a balance of \$10 millions before the credit of \$50 millions is exhausted. The March credit, it is stated, represents the full amount of the estimated disbursements for the month of the Imperial Munitions Board.

The question of further credits to the British Government has been discussed during the last few days at bankers' conferences held in Montreal and Toronto and with the Minister of Finance. While no official announcement regarding the decision come to has yet been made, it is generally understood that the banks will make further advances to the British Government by the purchase of either British Treasury bills or Exchequer notes. Unofficially, the amount of the banks' credit is placed at a minimum of \$50 millions. With this financing arranged, it is believed that further extensive orders for munitions and supplies will be placed in Canada by the Imperial Government.

### ACCIDENT POLICY REFORM.

We desire to draw the attention of accident managers to an article published on page 285, dealing with Accident Policy Reform. The subject is a most important one in the interests of the business throughout Canada.

In some of the great British banking institutions, fully 50 per cent. of the staff are now women.