

THE ROYAL BANK OF CANADA

Baring Bros. in 1890, through default of the Argentine Government in payment of its obligations, created a suspicion in England as to the soundness of all foreign investments and temporarily checked the flow of capital to the Dominion; while the passage of the McKinley Tariff Bill lessened exports to the United States. Three years later occurred the worst panic in the history of the Republic, following President Cleveland's Venezuelan Message, and this crisis had its reflex in Canada, causing great depreciation in the market price of securities.

Through all this financial disquietude, and notwithstanding the low rates obtainable for call money—sometimes one-fourth of one per cent. in England and one per cent. in New York—the Merchants Bank of Halifax continued to strengthen its position. It added year by year to its Reserves and in 1895, to meet the requirements of its growing business, increased the paid-up capital stock to \$1,500,000.

At this time (1895) Newfoundland suffered its second great disaster. The fire which had devastated its capital city in 1892 was now followed by failure of all its banks, and a branch was opened in St. John's to assist in the restoration of banking accommodation in the stricken Colony.

In 1898 Mr. Duncan ceased his exclusive management of the institution, although he remained for one year longer in charge of the head office in Halifax and of the branches in the Maritime Provinces and Newfoundland. During the fifteen years of his administration deposits had quadrupled; the reserve fund had been increased by nearly \$1,000,000 and the total assets by more than \$7,000,000.

With the commencement of an era of business prosperity throughout the Dominion in 1897, renewed expansion, under the