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F. WILSON-SMITH,
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ARTHUR H. ROWLAND,
Editor.

Office:

406-408 LAKE OF THE WOODS BUILDING,
10 ST. JOHN STREET, MONTREAL.

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THE ROYAL BANK OF CANADA.

The instructive addresses delivered at last week's meeting of shareholders of the Royal Bank of Canada by Sir Herbert Holt (president), and Mr. Edson L. Pease (managing director), in common with other utterances which have recently been made by leading bankers and business men, laid emphasis upon the transitory character of the existent activity and prosperity in Canada, and the necessity of being prepared for a sharp reaction when war's urgent demands cease, prior to any permanent development on normal lines. Mr. Pease very aptly remarked:—"We should have less to fear from the readjustment if the people of this country would curb their propensity to reckless speculation and extravagance in this time of plenty"—a sentence which deserves the widest publicity and understanding. A particularly interesting section of Mr. Pease's address dealt with the importance of the collaboration of the banks and the Minister of Finance during the war period, a matter on which, as president of the Canadian Bankers' Association, Mr. Pease speaks with authority. He pointed out that not only can the banks be depended upon to assist the Minister of Finance to the utmost limit in the arduous task of financing Canada's war, having due regard to the needs of commercial borrowers and the maintenance of proper liquid reserves, but that in other matters, indirectly arising from the war, the banks are performing exceedingly valuable service in collaboration with Dominion authorities. Liberal advances are being made to breeders of cattle, in practical support of the Department of Agriculture's effort to increase largely the country's live stock trade. The development of foreign trade in preparation for after-war competition, which is being energetically pushed by the Minister of Trade and Commerce will also receive the hearty support of the banks. The banks' important activities in such directions as these are frequently entirely overlooked, and it is certainly extremely desirable that they should be made known occasionally, in the interests of adequate appreciation of the services rendered by the banks to the Dominion.

A NOTABLE BALANCE SHEET.

Mr. C. E. Neill, the general manager, was able to describe the Bank's balance sheet for the year

ended November 30, an analysis of which has already appeared in our columns, as the best ever submitted to the shareholders, the year's favourable results being due to four causes:—prosperous conditions in Canada and the West Indies, the advantageous location of the branches, co-operation on the part of the Directors, and a loyal and efficient staff. That striking progress was made by the Bank during 1916 is evident from the following comparison:—

	1916.	1915.
	\$	\$
Capital Paid up.....	12,000,000	11,560,000
Reserve.....	12,560,000	12,560,000
Circulation.....	18,178,228	14,224,866
Deposits (not bearing interest).....	59,365,396	37,456,997
Deposits (bearing interest).....	140,862,199	117,519,331
Total Liabilities to Public.....	227,484,470	173,148,928
Specie.....	16,072,763	15,946,290
Dominion Notes.....	14,249,110	12,977,391
Central Gold Reserve.....	6,500,000	3,000,000
Bank Balances Abroad.....	5,092,067	5,235,607
Call Loans in Canada.....	11,076,006	9,136,510
Call Loans Abroad.....	21,372,026	9,815,950
Securities held.....	30,506,068	18,629,042
Total of Quick Assets.....	121,127,664	84,894,462
Current Loans and Discounts.....	124,864,658	106,552,334
Total Assets.....	253,261,427	198,299,123

With regard to the large increase in deposits, Mr. Neill noted that no large or abnormal deposits of a temporary nature are included. The moderate expansion in loans has been due, in the case of Canadian loans to the acquisition of new accounts and temporary loans to customers producing munitions. Commercial loans abroad are higher, on account of the active demand in the West Indies in connection with the production of sugar and other staple commodities.

Profits for the year show the substantial growth of over \$200,000, being \$2,111,308 against \$1,905,576 in 1915, and equal to 8.9 per cent. upon the paid-up capital and rest combined against 7.9 per cent. last year. With a balance brought forward from 1915 of \$676,472, the total available on profit and loss account is \$2,787,780. The 12 per cent. dividend absorbs \$1,417,207; \$100,000 is transferred to the officers' pension fund; \$250,000 written off bank premises; \$50,000 contributed to the Canadian Patriotic Fund; \$118,227 absorbed by the war tax on note circulation and the increased balance of \$852,346 is carried forward.

THE BUSINESS FURTHER ENLARGED.

Since the balance sheet as at November 30th was made up, the Royal Bank's business has been enlarged by the acquisition of the Quebec Bank with assets of about \$22,000,000, these having been taken over at the New Year. The Royal Bank thus obtains a very valuable connection in the province of Quebec where hitherto it had not been strongly represented. Development is also being continued in the West Indies and Central and South America, where the Bank's prestige stands particularly high. It was intimated at the annual meeting that a further issue of capital is in mind, though no action will be taken at the present time, and it is evidently the intention of those in responsible charge of this institution to continue the energetic and progressive policy which has been so conspicuously successful in the past in the rapid building up of a great banking institution with far-reaching influence.

It remains to note the fine record made by the staff of the Bank in the matter of enlistment. To date enlistments number 762, and there have been