

Banks, Banking and Bankers

Dominion Bank Grew Ten Millions

An increase of ten millions in assets and of \$83,000 (or 13 per cent on capital stock) in profits is reported by the Dominion Bank for the year ending December 31. In comparing this growth substantial as it is, with that of other banks reporting in October and November, it must be remembered that assets generally showed no increase, and in many cases a decline, in December owing to payments on Victory Loan purchases. Six and a half millions of the new assets are in the form of cash or high-grade securities, giving a total reserve of 70 millions or 53½ per cent of the public liabilities.

While the earnings now amount to 19½ per cent on the \$6,000,000 capital, they are under 9 per cent on the real investment of the shareholders, which includes a rest account of \$7,000,000. The

dividend (including bonus) is 13 per cent and the sum of \$300,000, or 5 per cent on capital is written off the premises account, while various contributions account for \$40,500.

The increase in the bank's business with the public is much larger than would appear from the assets, for on the deposits side there is a decrease in the Dominion Government account of six millions, while public deposits increased by 15 millions.

That there has been an expansion in the bank's relationship with the business interests of the country is evident from the increase of \$2,328,000 which took place in commercial loans, the total at the end of the year standing at \$66,400,000.

When Will the Downward Move Begin

Theo. H. Price, the well-known American economist and owner of "Commerce and Finance," commenting on the record low level of sterling exchange and the rise in Federal Reserve Bank rediscount rates, says: "It may, we think, be assumed that the next few months will be a period of credit contraction forced by high interest rates and accelerated by the decline in exchange which makes the export of our surplus production increasingly difficult.

"As we have been for some time pointing out the probability of just this development we shall hope that our readers are prepared for it.

"The result, we think, must be a decline in commodity prices that will bring the value of American merchandise and staples within the limits of the available supply of capital.

"In the process more or less distress will probably be felt by those who have believed that the present high prices were permanent, but by those who recognize the necessity and desirability of deflation the impending liquidation will not be regretted provided it is not too precipitate."

This appears to go very little further, except in point of the immediacy of the prophecy, than the warnings of the leading Canadian bankers, who have generally gone on record in the last few months as predicting a receding level of prices.

The argument is somewhat confused by the claims of those who argue that present high

prices rest on currency inflation and cannot be remedied without deflation. This claim is fundamentally true, but is not sufficient to prevent jerky movements in the downward direction which, though not going far, might be enough to discomfort those who are speculating on a continuance of present levels or even a further rise.

New Bank of Commerce Branch.

A branch of the Canadian Bank of Commerce has been opened at North Sydney, N. S. in charge of Mr. E. P. Stavert.

The sub-agency at Vilna, Alta. is now being operated as an independent branch in charge of Mr. C. H. McMillan.

Montreal-Sherbrooke Service Via Grand Trunk Railway System.

The Montreal-Sherbrooke service of the Grand Trunk Railway System provides a choice of convenient trains. Travellers may leave Montreal 8.30 a.m. and 8.20 p.m. daily and 4.16 p.m. daily except Sunday. There is a parlor cafe car on the 8.30 a.m. train and parlor car on the 4.16 p.m. train. Returning the traveller may leave Sherbrooke at 3.15 a.m. and 3.00 p.m. daily and 8.05 a.m. daily except Sunday. The 3.15 a.m. train has sleeping car for Montreal which is ready for occupancy at Sherbrooke at 10.00 p.m. the previous evening. The 3.00 p.m. train has cafe parlor car.

THE MERCHANTS BANK

Head Office: Montreal. **OF CANADA** Established 1864.
Paid-up Capital .. \$7,000,000 Total deposits Oct. 31, 1919 \$165,000,000
Reserve Funds .. \$7,574,043 Total Assets Oct. 31, 1919 \$198,000,000

President: Sir H. Montagu Allan, C.V.O.

Vice-President: K. W. Blackwell.

General Manager: D. C. Macarow.

Supt. of Branches and Chief Inspector: T. E. Merrett.

COLLECTIONS FOR BUSINESS HOUSES

The satisfactory service which The Merchants Bank renders to Business Houses, in the matter of collecting Notes, Drafts and other financial paper, is due to the number and strategic location of its branches throughout Canada, and the efficient system in force.

Special attention is given to collections; returns are promptly made and credited; losses are often prevented by the care and thoroughness with which we do this part of our work.



365 BRANCHES IN CANADA EXTENDING FROM THE ATLANTIC TO THE PACIFIC.

ESTABLISHED 1872

Bank of Hamilton

Head Office: HAMILTON

Capital Authorized... .. \$5,000,000
Capital Paid Up (July 31st, 1919). \$3,946,220
Reserve and Undivided Profits
(July 31st, 1919) \$4,058,224

Sending Money Abroad

If you wish to send money abroad, purchase a draft from the Canadian Bank of Commerce. It is the safest method and the cost is small. Should the money be required at once we shall be pleased to arrange the matter by cable.

THE CANADIAN BANK OF COMMERCE

OVER 500 BRANCHES.

PAID-UP CAPITAL \$15,000,000
RESERVE FUND \$15,000,000

The Royal Bank of Canada

Incorporated 1869.

Capital paid up.....\$ 17,000,000
Reserve Funds.....3 18,000,000
Total Assets.....\$533,000,000

HEAD OFFICE: MONTREAL.

SIR HERBERT S. HOLT, President.

E. L. PEASE, Vice-President and Man. Director.

C. E. NEILL, General Manager.

631 Branches in CANADA, NEWFOUNDLAND, CUBA, PORTO RICO, DOMINICAN REPUBLIC, COSTA RICA, VENEZUELA, BRITISH WEST INDIES, ARGENTINE, BRAZIL and URUGUAY.

SPAIN, Barcelona—Plaza de Cataluna, 6
PARIS AUXILIARY—28 Rue du Quatre tembre.

LONDON, Eng. NEW YORK
Prince Street, E.C. 68 William Street.

SAVINGS DEPARTMENT at all Branches

Business Founded 1795

American Bank Note Company

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ENGRAVERS AND PRINTERS

BANK NOTES AND CHEQUES

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STOCK CERTIFICATES

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Head Office and Works: OTTAWA.

Branches:—

MONTREAL, Bank of Ottawa Building.

TORONTO, 19 Melinda Street.

WINNIPEG, Union Bank Building.