

The Chronicle

Banking, Insurance and Finance

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NATIONAL SERVICE.

It has been frequently remarked that the course of events in Canada during the period of the war, has followed fairly closely the sequence of events in Great Britain, but at some distance of time. This is obvious in regard to such matters as the development of the munitions industry, the speeding-up of foodstuffs production, the gradual drying-up of voluntary enlistment, and other material affairs. Whether there has been the same progress in Canada as in Great Britain—except within limited circles—in consciousness of personal responsibility leading to single-minded determination and action, is possibly doubtful. Situated geographically thousands of miles from the nearest scene of actual hostilities, no untoward events have occurred that would have had the effect of rousing the nation as a whole to the keenest appreciation of the realities of the grim business of a war for the right to liberty and freedom of the greater part of the human race. The electrical effect throughout the Dominion of a few shells aimed by a stray German cruiser at Halifax, or, to suggest a more reasonable possibility, at one of the small undefended Nova Scotian coast towns, can be easily imagined. If by any chance, a German aeroplane had dropped a bomb on the basilica at Ste. Anne de Beaupre, probably some of our street-corner orators who are at present so verbosely eloquent, would have found, ere this, another outlet for their energies. But none of these things have happened. We have gone on our way practically undisturbed—a good many folk even "making money." To some, indeed, the tragedy of war has been discovered in its fullness. But the effect has not been general. It is possible enough for a crowd to take the sight of men "broke in the wars" walking about the streets, much as a matter of course, without any thought of what lies behind the mere fact.

Whatever proposals of conscription have yet been made to maintain the strength of our Canadian armies in England and France, will admittedly touch only a fraction of our population. The rest of us are to be left at home—some on special service, others keeping going their own individual affairs. How are we going to act as the long-drawn out strain of the war upon the world becomes tighter? Shall we continue the blind-eyed folly of "business as usual," or are we going to produce more, waste less, particularly of food, eliminate extravagance of every kind, save intelligently and systematically,

and lend those savings to the nation. Those things are not much to ask, these days, of folk who are pursuing their daily avocations in safety, undisturbed in many cases by any more serious worry than daily business or home difficulties. They require nothing more for their successful practise than a sense of personal responsibility. The Canadian Government is now asking for National Service on these lines through a publicity campaign. Let us make the response of a free democracy gladly, willingly and wholeheartedly according to our several powers.

THE ROYAL BANK AND NEW YORK.

An interesting banking development is revealed in the announcement, made this week, that interests connected with the Royal Bank of Canada have acquired control of the Merchants National Bank of New York. The Merchants National is one of the oldest of the New York City banks, having been established in 1803. Its paid-up capital is \$2,000,000; there is a surplus of \$2,000,000 and deposits as at May 1st were \$21,741,000. The Bank is well-known as an institution of the highest standing.

The advantages likely to accrue to the Royal Bank through what is, in effect, an increase of its facilities for the transaction of Canadian business in New York are obvious. Probably also, it is anticipated by those responsible for the development, that the new connection will be of value in regard to the Royal Bank's business in the West Indies and Central America, which necessarily has many connections with New York, and the development of which will likely be facilitated by the new arrangement. In any case, the development is one which illustrates forcibly the enterprise and foresight of those connected with the Royal Bank, qualities which have been previously displayed on many occasions.

IMPROVED BANK EARNINGS.

A summary of the results published by six of the banks for fiscal periods ending in 1917 shows a considerably improved earning capacity. The six banks include the Montreal, Merchants, Imperial, Standard, Nationale and Sterling. Taking the Bank of Montreal results for twelve months ending April 30, the combined net profits of these six banks were \$5,718,087 in 1917, as against \$5,150,043 in 1916, and \$5,410,467 in 1915. Deductions were \$940,975 in 1917, \$801,030 in 1916, and \$1,489,477 in 1915, leaving as remainder available for dividends or for addition to reserves \$4,778,012 in 1917, \$4,349,013 in 1916 and \$3,920,990 in 1915. There has thus been progressive general improvement. After providing for dividends there was in 1917 a surplus of \$686,531 as against a surplus of \$266,734 in 1916, and a deficit of \$151,197 in 1915.

The New York Life announces that it will write aviators for a maximum of \$2,000 at \$125 extra per year per thousand. For amounts over \$2,000 the company will write them with a clause providing for the return of the reserve in the event of death due to aviation work. Policies forbid exhibitions or trick flying.

The Bank of Montreal announces that a sub-agency to the Montreal Branch has been opened at Verdun, under the management of Mr. A. A. E. Tetrault.