

# The Chronicle

## Banking, Insurance and Finance

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### THE GENERAL FINANCIAL SITUATION.

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tively small town, with half a dozen managers all equally intent on making the best possible showing of business, that the lot of the borrower is apt to be considerably easier than would be the case were there only one or two branches in that same town.

The announcement that the Department of Municipal Affairs of the Province of Alberta is preparing legislation in aid of municipalities which are in financial difficulty is of some interest, particularly to institutional investors, who have placed in the aggregate large amounts of funds in the hands of the smaller municipalities throughout the West. This legislation is in fact a welcome sign of an increasing spirit of responsibility in provincial affairs, and of an enlarged realization of the duties imposed upon the provincial governments of safeguarding the interests of investors within their borders. Apparently several of the Alberta municipalities are having difficulty in meeting their interest payments, some of which have become in arrears, as a result of the municipalities being unable to realise on their outstanding taxes. The reason is the familiar one—over-optimism, resulting in the increasing of extravagant obligations during hard times, when there was no provincial authority to control the issue of debentures by municipalities. Since a system of provincial control was established, it is stated, there has been no trouble of this kind. If the present action is mentally reminiscent of the time-honoured expedient of locking the stable door after the horse is stolen, at least there is the suggestion that in future the interests of investors in these securities will be more closely safeguarded.

It is of interest to note that private advices recently received here by financial houses indicate a strong feeling among their London correspondents that at no distant date the British Treasury restrictions upon the issue of such securities will be removed, and that it is wise to consider immediately preparations for such a development. It is also understood that several of the well-known financial houses are now considering plans for re-establishing their London connections dislocated as a result of the war.

### THE DOMINION BANK.

In common with other Canadian banks, the Dominion Bank reports increased profits for the year 1918.

Judged from every standpoint 1918 has been a progressive year for the bank. Net profits, through an increase of \$81,435 amounted to \$1,086,498. From these profits the directors were able to return \$720,000 to the shareholders in the form of dividends at the rate of 12 per cent., which, based on the present market value of the stock on the exchange, means a yield of about 5.53 per cent. Besides the amount entailed in dividend payments \$38,000 was contributed to patriotic and benevolent funds, \$25,000 to officers' pension fund, and \$250,000, an increase of \$50,000 over the previous year, was written off bank premises. The balance, \$446,500, or \$53,000 in excess of 1917, was carried forward to profit and loss account.

In respect to assets the report also shows a decided increase. This is particularly true of those coming under the classification of Immediately Available Assets, which increased \$5,800,000 and now amount to \$63,500,000, or sufficient to meet 53 per cent. of the bank's liabilities to the public. The cash assets alone are equal to 23.80 per cent. of the liabilities to the public, having increased by \$1,160,000 to \$28,498,000. Total assets stand at \$133,500,000, there having been an expansion during the year of \$24,000,000.

#### Gain in Deposits.

A gratifying feature in connection with the bank's deposits, indicating as it does the prosperous condition of the country as well as an advantage to the bank, is the fact that the sum of money on deposit not bearing interest, being the surplus cash of its industrial and financial customers, increased by \$18,626,000 during the year, the amount of December 31 standing at \$33,843,000. The deposits bearing interest, namely \$62,264,000 were less than at the close of the previous year by \$4,400,000,—the cause is, of course, directly traceable to withdrawals made for the purchase of Victory bonds. Taking deposits as a whole, there was a net augmentation to the extent of \$14,100,000, the total being \$96,107,000.

Commercial loans, representing funds advanced for the business necessities of the country, increased by \$18,500,000, the total amount at the end of the year standing at \$64,100,000. In notes in circulation there was a gain of \$400,000, a further evidence of the business expansion of the bank.

The chartered banks of Canada are rendering an increasing measure of service to the public and in this respect the Dominion Bank is in the front rank. The present balance sheet, indicates progressive and conservative management under the direction of Mr. Clarence A. Bogert, general manager.

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