

rent loans are \$10,000,000 lower in the present balance sheet than at the corresponding date last year, this reduction was ante-bellum. Since the outbreak of war there has been an increase of over three millions in such loans and in the same period an increase of over thirteen million dollars in Canadian loans of all kinds. The facts are convincing evidence of financial wisdom and statesmanship.

### THE QUEBEC BANK.

The Quebec Bank, which held its ninety-seventh annual meeting on Monday hardly seems to have kept pace with the general growth and development of the Dominion, and in the extent of its operations is surpassed by a number of other banking institutions which in point of age are many years the Quebec Bank's juniors. Net profits for the year ended October 31 were \$296,659, compared with \$309,228 for 1913, the total amount available on profit and loss account being \$323,356. The seven per cent. dividend absorbed \$191,299; \$5,000 was reserved for pension fund; \$20,897 for business taxes; \$30,000 for depreciation in bonds and securities; \$35,000 for contingencies; and \$18,000 for premises account, a balance at credit of profit and loss of \$11,448 being carried forward.

The leading items of the balance sheet in comparison with that of 1913 are as follows:—

	1914.	1913.
Paid-up capital .....	\$ 2,734,620	\$ 2,727,850
Reserve .....	1,308,655	1,306,962
Circulation .....	2,434,211	2,840,377
Deposits by public .....	12,978,422	14,504,692
Call Loans in Canada .....	3,077,556	3,446,164
Current Loans and discounts ..	10,594,402	11,537,432
Total Assets .....	20,178,426	21,948,198

It was reported at Monday's meeting, that the policy of maintaining rather larger cash reserves than usual had been followed during the year, enabling the Bank to pass through the period of contraction of business followed by the war without undue anxiety.

### THE BANK OF VANCOUVER.

The Bank of Vancouver, it was announced on Wednesday, has withdrawn from the Vancouver clearing house. The Bank is a purely local institution and the present step can be considered as having no bearing on the general trade or banking situation in Canada. Established in 1910, the Bank of Vancouver has thus far had a hard time of it. The admission was made some time ago that its capital was impaired, and at that time the rest account was wiped out and paid-up capital practically cut in two in order to rectify matters. A proposal was discussed that one of the larger banks should take over the business but this fell through.

At October 31, the Bank held a total of deposits by the public of \$555,352—less than half the total held at the corresponding date in 1913—with \$100,833 balance due to the provincial government. It is reported that since the failure of the Dominion Trust Company, large withdrawals of deposits from the Bank have been made. As, under the emergency war legislation, the bank's own notes are legal tender to the public, whereas settlement of clearing house balances must be made through Dominion notes of which the Bank only held \$32,313 at October 31, withdrawals of deposits could be met up to a point without difficulty, and similarly the Bank could settle

with other banks. The Bank, however, can only issue its own notes to the extent of its own unimpaired capital plus 15 per cent. of its unimpaired capital and reserve. Paid-up capital at October 31 was \$445,188, and it is possible that the relation of notes to capital may be raised subsequently.

### DOMINION NOTE ISSUES.

A Toronto correspondent writes pointing out that the increase of \$19,000,000 in its October circulation of Dominion notes follows an increase of \$18,000,000 in September. The rapid increase in the amount of this inconvertible paper currency is accompanied by no information as to the cause or purpose for which used. Some financiers are beginning to think, he continues, that there has been too extensive a recourse to this method of relieving the financial situation, and that perhaps it would be better to keep the issues of inconvertible notes at a lower level and try a domestic issue of bonds at a comparatively high rate of interest.

It is surmised that the large issues of Dominion notes were made either for the purpose of making advances to one or other of the big railway systems for construction purposes, or as loans to the chartered banks on securities. It seems unwise to finance the construction of permanent works such as railways by means of issues of currency for which there is no need or demand. And it is to be hoped that the supposition that the Government has issued notes for this purpose is incorrect. There is more justification for the issue of the notes to the banks for purposes of making short term loans and advances during the grain season, for the presumption is that after the crop is moved and the extraordinary demand for credit satisfied, the loans to the banks will be paid off and the inconvertible paper money, representing those loans, called in and cancelled.

### CONFEDERATION LIFE ASSOCIATION.

We are officially informed that the directors of the Confederation Life Association have decided to waive their right to impose an extra premium on all civilians insured with them who may have volunteered for service during the present war, even when their policies contain a clause calling for such an extra.

The great majority of the Association's contracts are free from all restrictions, but there are in force in the United Kingdom over one hundred policies on special plans containing a war clause, and many of the persons insured under these plans are proceeding, or have already proceeded, to the front.

This patriotic action will be duly appreciated, not only by those immediately concerned, but by the public generally.—*Policyholder.*

One more instance of a State-managed insurance fund getting into trouble is furnished by the Wisconsin Insurance Fund for State Buildings. The fund is at present about \$12,000 behind, but with \$60,000 due in premiums should soon have a working balance of \$48,000. But this balance is threatened by a claim for \$106,800 on a fire at a normal school last March. Legal action is now being taken to enforce this claim. If the claim is successful the State Fund will have a deficit of some \$58,000.