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THE ROYAL BANK'S MEETING.

The addresses delivered at the meeting of the Royal Bank of Canada's shareholders last week are rich in suggestive thought and decisive utterance regarding Canada's economic position and outlook. The important reference by Mr. E. L. Pease to the matter of the establishment of a bank of re-discount in Canada is discussed elsewhere. Sir Herbert Holt (president), advocated the further prohibition of the manufacture and importation of non-essential products, and the prohibition of the investment of Canadian funds in foreign countries—a question which has lately come to the front, especially in connection with the heavy purchases by institutional and other Canadian investors of Anglo-French and other European bonds issued in New York. If these bond purchases are to be prohibited, logically, Canadian investment and speculation in American securities, on the New York and other exchanges, through a well-organised and recognised machinery established in Canada, should also be prohibited. Sir Herbert further touched on the important question of the continuance of Government control and dictatorial powers after the war, remarking that "if we could not trust the Government to annul them when the present purpose has been served, great evil would result." Powers of this kind, once acquired, are notoriously hard to extinguish. However, it may be noted that in England, where dictatorial powers by Government, have gone very much farther than anything we have yet experienced in Canada, there appears to be developing a very strong resolve to free business and industry from this control immediately that the necessity for it has passed. "In the minds both of employers and workmen of all classes," writes one authority, "is growing up a profound dislike of all Government interference, and a not less profound determination to get quit of it at the first opportunity." The spirit of self-reliance and sturdy independence is certainly not less developed in Canada than in Great Britain, and that when the necessity for dictatorial Government methods has passed, there will be a far-reaching re-action against them seems not unlikely.

BANKS' AID IN WAR FINANCING.

Mr. Pease (vice-president and managing director), gave some interesting details regarding the assistance rendered by the banks in Government and

war financing. Temporary advances were made by the banks to the Government during 1917, in anticipation of the two long-term loans issued during the year. In November, the banks also granted a loan of \$75,000,000, having two years to run. They further granted to Great Britain, in November, a credit of \$100,000,000 payable in two years, to assist in the purchase of cereals. When this latter credit is fully availed of, the obligations of Great Britain to the Canadian banks, will amount to \$200,000,000, of which \$100,000,000 matures during the current year. These advances are made by the banks, on a basis *pro-rata* to paid-up capital. While the banks have thus played an important part in financing the war, the extent to which Canada and Great Britain are publicly indebted to them at the moment, represents only 20 per cent. of their deposits, and will shortly be reduced to 15 per cent.

A NOTABLE BALANCE SHEET.

Mr. C. E. Neill, the general manager, described the Bank's balance sheet for the year ended November 30, (an analysis of which has already appeared in our columns), as evincing a year of remarkable growth. The striking progress made by the Bank during 1917 is shown in the following comparison:—

	1917.	1916.
Capital Paid up.....	\$12,911,700	\$12,000,000
Reserve.....	14,000,000	12,560,000
Profit and Loss Balance.....	564,264	852,346
Circulation.....	28,159,351	18,178,228
Deposits (not bearing interest).....	70,498,667	59,365,396
Deposits (bearing interest).....	182,488,716	140,862,199
Total Liabilities to Public.....	307,703,796	227,484,470
Specie.....	16,079,831	16,072,753
Dominion Notes.....	18,284,445	14,249,110
Central Gold Reserve.....	16,000,000	6,500,000
Bank Balances Abroad.....	10,704,339	5,092,067
Call Loans in Canada.....	12,040,687	11,076,006
Call Loans Abroad.....	14,574,136	21,372,026
Securities held.....	56,686,247	30,506,068
Total of Quick Assets.....	165,836,707	121,127,664
Current Loans and Discounts.....	156,122,065	124,864,658
Total Assets.....	335,574,186	253,261,427

With regard to the large increase in deposits, Mr. Neill noted that no large or abnormal deposits of a temporary nature are included. The liquid position of the Bank is satisfactory, liquid assets being in a proportion of 53.9 per cent. to liabilities to the public. Mr. Neill pointed out that at this time of great expansion, it is manifestly a first duty to keep the Bank in a strong and liquid position, especially as regards cash, in order to be fully prepared for any contingency which may arise. The uncertainty as to conditions which will obtain after the war is very great, and the Bank must be fully prepared for any eventuality.

It remains to note the fine record made by the staff of the Bank in the matter of enlistment. Voluntary enlistments number over one thousand. Eighty-nine members of the staff have been killed or have died of wounds, and thirty have been discharged as unfit for further military service. The Bank is not applying for a greater number of exemptions from military service than is felt to be absolutely necessary.

The American Bankers' Association is considering the organization of a stock insurance company to write the bank burglary, fidelity and surety risks of its members. The proposed company is to be officered by experienced insurance men and will do business direct with the bankers.