

THE ROYAL BANK'S REPORT.

The annual statement of the Royal Bank of Canada published on another page shows a continuance of that rapid growth and development on the part of this institution which has been one of the remarkable phenomena of recent Canadian Banking history.

While in part the growth of the Royal Bank has been due to the absorption of other banking businesses, the expansion of the year which closed on November 30th, is a natural development, resulting from enterprise and good judgment in management, and consequent public confidence. The Bank, is exceptionally well placed in regard to territory. In addition to its complete organization throughout Canada, it also occupies a prominent position in the West Indies, Cuba and Central America. The extension of its operations have been of considerable value to Canadian Trade.

Growth of Resources.

The leading figures of the present balance sheet are set out in the following table in comparison with those of the preceding year:—

	1918	1917
Capital Paid up.....	\$14,000,000	\$12,911,700
Reserve.....	15,000,000	14,000,000
Profit and Loss Balance...	535,757	564,264
Circulation.....	39,380,975	28,159,351
Deposits (not bearing interest).....	135,243,278	70,498,667
Deposits (bearing interest).....	197,348,439	182,488,716
Total Liabilities to Public.....	397,547,102	307,703,796
Specie.....	17,488,314	16,079,831
Dominion Notes.....	24,636,344	18,284,445
Central Gold Reserve.....	26,000,000	16,000,000
Bank Balances Abroad.....	10,391,516	10,704,339
Call Loans in Canada.....	10,067,481	12,040,687
Call Loans Abroad.....	24,374,191	14,574,136
Securities held.....	81,305,276	56,686,247
Total of Quick Assets.....	224,982,088	165,836,707
Current Loans and Discounts.....	183,359,879	156,122,065
Total Assets.....	427,512,982	335,574,186

The growth in deposits is notably large, even under present circumstances of expansion of banking resources. The increase during the year was \$79,604,334 following a rise of \$53,000,000, in the preceding year. Of this increase \$14,859,723 was in interest-bearing deposits. Circulation is reported as \$39,380,975 against \$28,159,351 in 1917 a growth of over \$11,000,000. This enlargement in circulation is almost covered by additional deposits made in the Central Gold Reserve, which are \$26,000,000 against \$16,000,000 in 1917.

The great bulk of the increase in deposits has been retained in readily available form among the liquid assets. Cash holdings have increased from \$34,364,276 to \$42,124,658. Bank balances abroad at \$10,391,516 show a slight decrease as compared with 1917, but call and short loans abroad have increased from \$14,574,136 to \$24,374,191. Canadian call loans are \$10,067,481 as against \$12,040,687 in 1917. Security holdings show a substantial increase from \$56,686,247 to \$81,305,276, indicating the Bank's participation in credits to the various Governments. Included in the 1918 figures are Dominion and Provincial government securities amounting to \$36,599,976 against \$22,322,197 last year and Cana-

dian Municipal and British, etc. securities \$29,620,885 against \$22,322,197.

These increases makes the Bank's total of quick assets \$224,982,088 equal to no less than 56.59 per cent. of the liabilities to the public as compared with 53.9 per cent. in 1917.

The Bank's current loans and discounts have increased from \$156,122,065 to \$183,359,879.

Profits for the year amounting to \$2,809,846 are the largest in the history of the Bank, and show an increase of \$481,867 as compared with 1917, and equal to about 10½ per cent. on the Paid Up Capital and Rest Combined. The earnings added to the amount carried forward from the previous year, brought the total amount available for distribution up to \$3,374,110.

Out of this amount the dividends paid during the year absorbed \$1,614,702: \$100,000 was transferred to Officers Pension Fund; \$400,000 was written off Bank Premises account; \$133,651 was required to pay the War Tax on bank note circulation; \$40,000 was contributed to Patriotic Funds \$50,000, to the Halifax Relief Fund, and an amount of \$500,000 was transferred to Reserve Fund. At the end of the previous year the Reserve Fund stood at \$14,000,000, and in addition to the \$500,000 transferred from Profit and Loss there was an amount of \$500,000 premium on new Capital Stock issued to Northern Crown shareholders, bringing the total of reserve fund up to \$15,000,000. The total capital stock paid up amounts to \$14,000,000.

The whole statement is a highly favourable one and Mr. Edson L. Pease, the Bank's managing director, and Mr. C. E. Neill, general manager, are to be warmly congratulated upon the fine results achieved.

QUESTIONS OF FACT ARE WITHIN JURISDICTION OF JURIES.

A workman employed in making cartridges in a munition factory in Montreal was standing beside his machine which was at rest, when it was suddenly set in motion, and a heavy punch dropped on his right hand, crushing it so that it had to be amputated. He sued the company for \$11,300 damages, on the ground of negligence in not keeping the machine in good condition, claiming that the clutches which served to stop the machine and keep it at rest were defective. The company denied this, and laid the responsibility for the accident on the workman himself, since he must have set the machinery going by some act of imprudence. The case was submitted to a jury, which found there was a common fault, and assessed the damages at \$8,000, of which sum the employers were charged with \$6,000, and the workman with \$2,000. The Superior Court rendered judgment accordingly. On appeal this judgment was sustained by the Court of Appeal. It was declared by the Court that questions of fact are exclusively within the jurisdiction of the jury, and in the face of contradictory evidence the jurors could reasonably arrive at the conclusion that the machine was set in motion because it was defective. It could not be said that the jury were unable to bring in any other verdict except one in favour of the appellant. (Quebec.—Parent v. Montreal Ammunition Company, Limited.)