

for consideration at Ottawa the other day, postponed it for two months, until a board of engineers can propose some route less inimical to public sentiment than these. Surely the wisest thing for all parties to do is to combine to secure an eastern entrance to the city, which will overcome as far as possible, the disadvantages of heavy gradients for eastbound trains. Conferences are taking place, and there may be more conferences. So long as a few newly-elected councilors will refrain from guarding it as their principal duty to make great play against corporations heedless of the strength of their legal position, something reasonable should be accomplished. The opportunity is big for really big men to serve the public by propounding a practical scheme on an economical, even though it may be a liberal basis.

Although the Monetary Times was enlarged by eight pages last week, much important matter had to be omitted. From the interesting address of Mr. E. R. Wood, the managing-director of the Central Canada Loan Company, on the subject of "Transactions in Canadian Bonds," which was crowded out, it is gathered that during the year 1906, the bond business was handicapped by high money rates all over the world. This necessarily diverted funds from investment or non-speculative securities. The San Francisco disaster not only left the fire insurance companies without funds for investment, but forced large blocks of bonds on the already narrow market. The total Canadian bonds issued in 1906 were \$53,987,008, compared with \$134,874,531 in 1905. The large total in the former year was to a great extent made up of special G.T.P., C.N.R., and Rio transactions, carried through in that year. Great Britain took \$19,655,000 corporation bonds, \$908,700 municipal bonds, and \$6,000,000 provincial bonds, making a total of \$26,563,700, which shows that London is supplying money for Canadian development. Mr. Wood thinks that if money conditions are favorable, the prospects are for large bond issues in 1907. Some \$3,217,492 municipal bonds were last year overhanging the market. Thirty-four municipalities refused to part with their bonds at the prices offered last year. Investors look just now for better return than municipal bonds will yield them.

BANKING AND FINANCIAL.

The Sovereign Bank has opened a branch at Englehart, Ont.

A branch of the Molsons Bank has been opened at Richmond, Que.

The Imperial Bank has bought two lots on Pearce Street in Wetaskiwin, Alta.

The Bank of England reduced its discount rate from 6 to 5 per cent. on Thursday.

Edmonton branch banks have been keeping open on Saturday nights. The practice was not found satisfactory and has been discontinued.

The Union Trust Company will open a branch office at Winnipeg on February 1st, with Mr. McWhinney, of the Toronto head office, in charge.

The remaining 20 per cent. (200,000) of the capital stock of the Sterling Bank of Canada is to be offered at once to present shareholders at the original price of \$1.25 per share.

The annual meeting of the United Empire Bank was held at Toronto on Wednesday. The business was of a formal character only, and dealt with the five months' period the bank has been in existence.

The Bank of Nova Scotia building at Kingston, Jamaica, which was destroyed by the earthquake and fire this week will be replaced by a more substantial one, to cost \$50,000 or thereabout. A Toronto architect will accompany general manager MacLeod to the island.

Mr. R. B. Caldwell, who was inspector of the bank at the time of the failure, stated how both Mr. Cockburn and himself had been privately suspicious that something was wrong, or the general manager was speculating. He had proposed an inspection of the head office books, but Mr. McGill had delayed matters by saying that the inspection could be held later on. Mr. Caldwell said he inspected the

branches of the bank, but not the head office. The case was adjourned till Monday and Mr. McGill may be called to give evidence.

The Calgary Clearing House Association have elected the following officers for the current year:—W. H. Hogg, chairman; C. W. Rowley, vice-chairman; managing committee, P. Macbeth, A. L. Quinn, Mr. Hamber, Mr. Clancy was re-elected secretary and manager of the clearing house.

The trial of Mr. G. R. R. Cockburn, ex-president of the Ontario Bank, was commenced this week at Toronto. Mr. W. Chenoweth, one of the head office clerks, thought it was an absolute impossibility for Mr. Cockburn to find out such large errors as had been made unless he took two or three days each month to go over the books for himself, or asked assistance. Mr. Pope, another clerk, stated they had never told Mr. Cockburn anything concerning their knowledge of incorrect returns. Mr. Pope said that he called a meeting of the directors to call their attention to the defalcation. Mr. G. W. Yarker, manager of the Toronto Clearing House, testified that he did not see how the president could avoid being aware of loans from the head office unless these loans were hidden. Mr. Yarker stated he was not aware of the fact that there had been a ticker in the head office of the Ontario Bank, though such instruments might be necessary to watch the stock markets. He had told Mr. Cockburn that he had heard Mr. McGill was speculating.

ROYAL BANK OF CANADA.

A comparison of the Royal Bank's transactions for 1906 and 1905, as shown in its statement, reveals satisfactory growth. Deposits increased in the twelve months from \$26,332,000 to \$32,365,000, and total liabilities from \$36,373,000 to \$45,437,000. Quick assets increased from \$18,308,000 to \$21,578,000; current loans and discounts from \$17,511,000 to \$23,033,000. Progress during the past five years has been steady. From \$2,481,000 in 1902 paid capital increased to \$3,900,000 to-day; reserve from \$2,500,000 to \$4,390,000; circulation from \$1,020,000 to \$3,780,000, and net earnings from \$270,000 to \$604,000, while the dividend, which was 7½ per cent. in 1902, is now at the rate of 10 per cent.

The doubling of the bank's circulation within five years and its present close proximity to the authorized limit are facts indicating very clearly that the Royal Bank participates in the activity of our growing time. Net profits equal to 17.11 per cent. on an average capital of \$3,531,000 last year compare very well with the 13.64 per cent., which was the mean of the net profits of four preceding years. The reserve, which exceeds the paid capital by nearly a million, has been largely added to from the profit on new stock issued at a high premium. In the disposition of the year's profits some writing down has been done of bank premises and of British consols held, while officers' pension fund is increased by \$20,000. While the bank's progress and enterprise have been marked, it maintains its customary strength.

BANK OF NOVA SCOTIA.

A satisfactory statement, showing large earning power, is now expected year by year from the Bank of Nova Scotia. The latest report by this bank does not disappoint expectations. The total of the assets and liabilities have increased by four millions. The deposits are \$1,800,000 greater, paid capital \$500,000 greater, and the reserve fund increased to \$5,250,000, which is equal to 175 per cent. of the capital. Circulation has risen nearly half a million. These are gratifying additions.

Happily there is no restriction upon the ratio of profit a bank may earn, and so the Bank of Nova Scotia people may take credit for the 23 or 23 per cent. earned on average capital. The net earnings in 1905 were equal to 7.14 per cent. on the aggregate of capital and rest; last year it was within a small fraction of 8. The policy of writing off a round sum yearly from bank premises account, and also liberally augmenting the officers' pension fund is continued.

Unusual detail is given to the bank's various loans. Call loans are divided into (1) loans secured by bonds and stocks, and (2) by grain and other staples. Current loans are similarly divided. Overdrafts secured and unsecured are shown separately. Such subdivisions are made in the statements of various Old Country banks, but are not common among Canadian institutions. Mr. MacLeod has carried out his expressed intention of having the balance sheet audited by experts outside the bank's staff; and accordingly the securities have been verified and the balance sheet certified by two Edinburgh chartered accountants. Surprise has been manifested that Canadian chartered accountants were not engaged for the purpose. It is understood that the gentlemen engaged have had considerable experience in bank auditing in the Old Country, while naturally Canadian firms have had but rare opportunities for engaging in this class of work.

In the brochure issued by the bank during the week particulars of the bank's investments in stocks and bonds

are fully given. This induces no fear in permitting it to consist it puts down in Provincial, Municipal or

DOMINION

Liabilities to the public its shareholders give the earning power. That this pose is shown in the ratio is about 18 per cent. on the per cent. in the preceding distributed to shareholders which brings that account capital remains at \$3,000,000.

A larger sum than \$28 loss account might have bank authorities seem better figures. Nothing has been apparently nothing set aside.

Deposits have continued of \$2,800,000 in the twelve \$32,915,000, against \$28,500,000, increase in readily available still about 46 per cent. of sufficient proportion for now in bank premises accounts indicates a very large and is in a strong position.

BANK OF NEW BRUNSWICK

The Bank of New Brunswick held at St. John on January large, being \$116,470, which and equal to almost 16½ of \$706,280, which was reserve fund has risen to ago. The usual dividend and a fair contribution to

THE TRADER

A change of date for bank causes the statement of seven months only. Earnings of \$539,730 profit was declared at a premium. After dividends and making additions to \$650,000 was carried to Call and short loans are accounts show the remarkable dollars.

IMPERIAL LIFE

The Imperial Life Insurance Company to hold its meeting factory statement of business, because, for well-known one in which to write in the report strike one ment expenses were \$39,000, increased income and assets earned on investments earned was large, and shareholders' profits, shareholders serves for contingencies, unusual conditions, although a decline, the financial

The mere mention of who know what reputable are in life underwriting, achievement as deserving, an increase of half a million income, and of \$87,000 while its death losses, which prove to be \$64,000 less.

Payments during the profits, and surrendered loss of the year was \$2,461,836. A record of come, reserves and assets steady growth. The company as a sound, progressive company.

NIPIS

A meeting of the company was held in Toronto G. P. Earle, president; C.