

# The Chronicle

## Banking, Insurance and Finance

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### THE STANDARD BANK'S REPORT

The Standard Bank of Canada reports in its statement for the year ended January 31st last, a considerable growth in resources, largely retained among quick assets, whereby the Bank's reserve position has been further strengthened, together with a fair increase in loans, a large growth in security holdings and expanded profits. These last amount to \$649,546, compared with \$580,230 in the preceding twelve months, and equal to 8.2 per cent. on the capital and rest combined. Of this amount, the usual 13 per cent. dividend absorbs \$442,783 and the war tax on circulation \$33,891; \$20,000, as usual, is contributed to the Officers' Pension Fund; \$31,250 to Patriotic and kindred funds; \$100,000 is set aside to provide against security depreciation, a balance of \$175,216 (against \$153,594 last year) being carried forward.

**THE BANK'S BALANCE SHEET.**

The following are the leading items of the Bank's balance sheet in comparison with that for the preceding twelve months:—

	1917	1918
Paid-up capital.....	\$ 3,333,242	\$ 3,453,290
Rest.....	4,333,242	4,453,290
Profit and Loss Balance.....	153,594	175,216
Circulation.....	4,546,513	5,484,383
Deposits not bearing interest.....	11,473,721	17,779,015
Deposits bearing interest.....	34,818,843	40,301,689
Total liabilities to public.....	51,865,152	65,797,017
Specie and Dominion Notes.....	9,262,524	11,623,115
Deposit with Central Gold Reserve.....	1,500,000	2,500,000
Bank Balances Abroad.....	594,376	1,051,210
Call Loans in Canada.....	1,656,957	2,037,526
Securities held.....	7,244,944	12,049,385
Total of Quick Assets.....	22,388,664	32,523,775
Current Loans in Canada.....	35,892,085	39,853,678
Total Assets.....	59,850,275	73,990,907

Last year's expansion in capital and rest account results from a new stock issue of \$700,000 made in 1916 at a premium of 100 per cent., which is still in course of being paid up. Circulation at \$5,484,383 shows a growth of nearly a million dollars over last year. Deposits show very substantial increase. Non-interest-bearing deposits are up from \$11,473,721 to \$17,779,015, and interest-bearing deposits from \$34,818,843 to \$40,301,689. The year's growth in deposits is thus \$11,888,000, following a growth of \$3,200,000 in 1916. Liabilities to the public are accordingly increased to \$65,797,017, an enlargement of practically \$14,000,000 over last year's figures.

**GROWTH IN SECURITY HOLDINGS.**

On the assets side of the accounts, holdings of specie and Dominion notes are \$2,400,000 higher

than a year ago at \$11,623,115, and the deposit in the Central Gold Reserve has also been increased by a million to \$2,500,000, to cover the expansion in note issue already referred to. Bank balances abroad are \$457,000 higher at \$1,051,210, and call loans in Canada increased by \$390,000 to \$2,037,526. The Bank's assistance in war financing is reflected in the expansion of nearly \$5,000,000 in securities held to \$12,049,385, this total being somewhat reduced from the level reached prior to the repayment by the Government of some temporary loans out of the proceeds of the Victory Loan. The close relations of the Standard Bank with the industry and commerce of the country and the effect of current high prices are seen in a growth for the year of \$4,000,000 in current loans from \$35,892,085 to \$39,853,678. Total assets are \$73,990,907 against \$59,850,755, of which \$32,523,775 are quick assets, a growth of over \$10,000,000 and a proportion to liabilities to the public of 49.4 per cent. compared with 43.2 per cent. a year ago.

Mr. C. H. Easson, who succeeded the late Mr. G. P. Scholfield as general manager of the Bank, is to be congratulated on the quality of the first annual statement bearing his signature. Mr. E. C. Green is the manager of the important Montreal branch of this institution.

### COMMON-SENSE VIEWS OF MUNICIPAL FINANCE.

Mr. Robert Baird, provincial inspector of municipalities for British Columbia, said some sensible things in a recent address dealing with various aspects of municipal finance. Mr. Baird was properly outspoken in regard to the recent tendency on the part to some municipalities to treat lightly the matter of sinking fund obligations, and the matter of meeting obligations at maturity. "In the matter of sinking funds," declared Mr. Baird, "I had been of the opinion that municipal councils and the public generally were by this time convinced that the protection of outstanding obligations is of the nature of a trust. I have, however, been surprised to hear expressions of opinion to the effect that municipal councils should be justified under the press of circumstances in taking liberties with their obligations. The sale of debentures involves a contract by the municipality to collect and to administer in a certain way the funds necessary for the protection of the obligation, and it is difficult to believe that any pressure of circumstances will justify a municipal council in stepping aside from a moral obligation. It is not a question of expediency. It is a question of business integrity, and I fail to see any reason why a municipality should be allowed greater liberty in a matter of business integrity than an individual."

Mr. Baird stated that short-term borrowing had been one of the most costly experiments tried by the British Columbia municipalities, having cost the municipalities at least \$750,000—"and the air is not entirely cleared yet."

### ONE WAY OF RAISING VICTORY LOANS.

New Zealand, so states the British Board of Trade Journal, has passed a law requiring all taxpayers with incomes over \$3,500 to subscribe to the Dominion's war loan in an amount equal to three times the total land and income tax, to which they were subject under the law of 1916.