

ROYAL BANK ANNUAL STATEMENT.

The annual statement of the Roal Bank of Canada for the fiscal year ending November 30, 1917, which is exhibited on another page, is a striking and valuable testimonial to Canada's financial strength.

For a number of years the strides made have been among the outstanding features of the expansion enjoyed by our larger Canadian financial institutions, but the records of previous years were excelled last year in point of growth of assets, of increase in deposits and of general business handled.

The bank has steadily strengthened its organization in every part of the Dominion, and the benefits of this organization are manifested in the increased business of the country which the bank now enjoys.

A pecial feature of this year's statement is afforded by the accounts indicating the manner in which the bank has rendered assistance to the Dominion and Imperial Governments in financing the war.

Total assets have jumped to \$335,574,186, an increase of \$82,000,000 for the past twelve months alone. This increase in the one year is equal to the bank's total assets ten years ago, after thirty-five years of business. In the past two years the increase in assets has amounted to \$137,000,000. A closer study of the statement shows more clearly how the bank is benefitting from its strong organization in every section of the Dominion, as deposits have increased over \$50,000,000 during the year and almost \$100,000,000 in the past two years.

Commercial loans in Canada show an increase of \$16,000,000 for the year, largely due to the acquisition of the Quebec Bank.

The bank's deposit in the Central Gold Reserves has increased to \$16,000,000 from \$6,500,000, an increase of \$9,500,000 during the year. The bank's holding of Dominion and Provincial Government securities increased from \$1,029,374 to \$22,322,197, and the Canadian Municipal and British Foreign and Colonial Public Securities from \$14,012,086 to \$21,586,545, representing financial operations in connection with the war.

The total deposits now stand at \$252,987,382, as compared with \$200,227,595 a year ago. Of this total, deposits not bearing interest now stand at \$70,498,667, compared with \$59,365,396, and deposits bearing interest \$182,488,715, as against \$140,862,199 a year ago.

The larger business handled has permitted of a substantial increase in earnings. The profits for the year amounted to \$2,327,979, equal to 18.03 per cent. on the capital as compared with \$2,111,307 in the previous year. These profits added to the balance of profit and loss at the end of the previous year brought the total amount available for distribution up to \$3,180,325. This amount was distributed as follows: Regular dividends, \$1,549,404; transferred to Officers' Pension Fund, \$100,000; written off bank premises account, \$250,000; war tax on bank note circulation, \$128,357; contribution to Patriotic Fund, \$60,000; transferred to Reserve Fund, \$528,300. This left a balance of \$564,264 to be carried forward to profit and loss. The bank reports an increase in the reserve funds from \$12,560,000 to \$14,000,000. The addition is represented by the transfer of \$528,300 from the profits of the year and an amount of \$911,700 being the premium on new capital stock issued to Quebec Bank shareholders at the time of the absorption. This places the reserve of the bank in a very comfortable position, as it now totals \$14,000,000, as against a paid-up capital of \$12,911,700.

A knowledge of progress and expansion can be quickly obtained from the following comparative statement of the principal accounts at the end of the fiscal year, November 30, 1916, and November 30, 1917.

	Nov. 30, 1916	Nov. 30, 1917
Total Assets	\$253,261,427	\$335,574,186
Total Deposits	200,227,595	252,987,382
Notes of bank in circulation.....	18,178,228	28,159,351
Capital Stock	12,000,000	12,911,700
Reserve Fund	12,560,000	14,000,000
Current Coin	16,072,763	16,079,830
Balance due by Banks elsewhere than in Canada	5,092,067	10,704,338
Dominion Notes	14,249,110	18,284,449
Deposit in Central Gold Reserve....	6,500,000	16,000,000
Cheques on other banks	11,805,508	15,283,364
Dominion, Provincial Government, Securities	1,029,374	22,322,197
Canadian Municipal Securities.....
British, Foreign and Colonial.....
Public Securities other than Canadian	14,012,089	21,586,545
Call and Short Loans in Canada....	11,076,006	12,040,687
Call and Short Loans outside of Canada	21,372,026	14,575,136
Current Loans and Discounts in Canada	86,936,631	102,358,027
Current Loans and Discounts else- than in Canada	37,938,027	53,764,037
Earnings	2,111,307	2,327,979

MR. CLARKE OF BANK OF MONTREAL RETURNS FROM EAST.

Mr. D. R. Clarke, superintendent of British Columbia branches of the Bank of Montreal, returned recently from his annual visit to Montreal in connection with the Bank's fiscal yearend and conferring with head office officials with regard to present conditions and future demands in British Columbia. Mr. Clarke reports conditions in Eastern Canada as unchanged. The manufacturer is working to capacity and the general merchant is doing all the business he can properly handle. While munition orders from the Old Country have fallen off, they have to some extent been replaced among the larger plants by orders from the United States and he looks to see this continue for a considerable time. Prosperity is widespread and labour is fully employed at high wages. Prairie crops have added enormously to the wealth of Canada and has further stimulated general business activity. The East is watching the development and progress of British Columbia with very friendly eyes, but it is astonished at the progress being made in the matter of shipbuilding and was not generally aware that steel steamers of such large tonnage were being constructed in Vancouver.

While in Montreal the news of the Halifax disaster reached Mr. Clarke, and he took the first train east. He was astounded at the tremendous destruction of the explosion and was deeply impressed with the need and suffering he saw in his native city.

COST OF LIVING CONTINUES TO INCREASE.

A further increase in the cost of living is shown in the November monthly report of the labor department. During the month the cost of the weekly budget of staple foods was \$12.10 as compared with \$11.81 in the previous month, and with \$9.81 in November, 1916. Potatoes contributed more to the increased cost of living than any other commodity, rising in price in all the provinces but British Columbia, where a decrease was recorded. Increased prices obtained also for eggs, milk, butter, sugar and bread, while decreases were recorded in flour and beans. The prices of meats showed but little differences on the whole from the previous month.

Wholesale prices also showed some advance for the month. The chief increases were in textiles, grains, meats and miscellaneous foods, while the most important decreases occurred in the prices of hides, metals and implements.