

BUSINESS WELL MAINTAINED BY MERCHANTS BANK IN CANADA: SUBSTANTIAL GAIN IN DEPOSITS

The strength of the Canadian banking system during the period of deflation is strikingly reflected by the statements of the larger Canadian banks. The annual report of The Merchants Bank of Canada, details of which have been made public, is the first of the larger banks to make its appearance for the fiscal year to April 30th.

This covers almost the twelve months during which deflation has progressed throughout the country, and on this account it will be of special interest to shareholders of Bank to know that its business has been so well maintained. During the war period, as is well-known, all the banks undertook special business for the governments. For the past year there has been a general tendency to adjust these special undertakings and to go back to normal lines of business.

The Merchants Bank is particularly interested in the growth and development of Canadian commerce, agriculture and industry. On this account its business is closely related to the whole general public of the country. There will be special interest to see whether during the period of deflation and lessened industrial activity the people of the country have been able to keep on adding to their savings. As far as the Merchants Bank is concerned, its clientele have been able to do this, as deposits bearing interest at the end of the fiscal year amounted to \$120,904,549, an increase of approximately \$6,000,000 for the year.

Notwithstanding the changed conditions and the lessened requirements of customers, current loans have been well maintained. These now stand at \$112,269,195. Of this amount current loans and discounts in Canada total \$109,193,592 and loans to cities, town, municipalities and school districts \$3,085,602.

Of the total assets of \$190,367,409, liquid assets amount

to \$69,427,380. Included in them are Dominion and Provincial Government Securities, amounting to \$11,039,325, up from \$7,893,229 in the previous year, while Railway and other Bonds, Debentures and Stocks stand at \$5,020,059, as against \$4,507,688. Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian amount to \$13,153,757, practically the same figure as a year ago.

During the year the Capital of the Bank was increased to \$10,500,000, up from \$8,400,000. In the same period the Reserve Fund has also increased to \$9,450,000, up from \$8,400,000.

The Profit and Loss Account also contains a number of interesting features. Even during the period of lessened activity, all the dividends have not only been comfortably earned, but the Bank has, in addition, been able to pay a bonus to shareholders. Profits for the year amounted to \$1,402,820. In addition there was received as premium on new stock \$1,050,000. The amount brought forward from the previous year was \$260,744. This made the total amount available for distribution \$2,713,595, which was appropriated as follows:

Dividends and Bonus.....	\$1,273,635
Government War Tax on Note Circulation.....	\$ 96,585
Transferred to Reserve Fund from Premium on	
New Stock	1,050,000
leaving a balance to be carried forward of	\$293,375.

The principal items in the general statement of assets and liabilities show as follows:

Total assets	\$197,387,855
Liquid assets	69,427,380
Current loans	109,183,592
Loans to cities, towns, municipalities, etc.....	3,085,602
Deposits not bearing interest.....	28,733,831
Deposits bearing interest.....	120,904,549

ROAD DEVELOPMENT IN TRANSVAAL

(Continued from page 179).

The work consists of 9-in. foundation of stone, 4-in. to 6-in. gauge, consolidated with a 12-ton steam roller. On this is laid a finished surface of 4-in. broken stone, 2½-in. gauge. Stone is obtained from mine dumps, some of which are on the roadside, while others are no further than one to two miles distant from the work. This stone being from 4-in. to 10-in. in size, it is readily handled and the costs are consequently comparatively small.

In spite of the comparatively low costs, this road is expensive, owing to the reef stone (quartzite) being too soft and unsuitable for road purposes.

In order to produce satisfactory results it will be necessary to make use of better material and construct the road of tar-macadam or concrete where the traffic is heaviest.

The average cost per mile without foundation, and allowing for a 21-ft. roadway is:—

Initial cost.....	\$7,060
Maintenance, 20 years @ \$100 per annum.....	2,500
Resurfacing 6 times	38,500
Total	\$48,060
Average cost per year, \$24,030.	

Haulage.

Transport plays an important part in the matter of costs.

Scotch carts (box carts) of 27 cub. ft. capacity are more generally used than any other class of transport.

During the past two years mechanical haulage has been used with success, and it is the intention to extend its use at an early date. Five-ton steam wagons have brought costs down from 10c to 12c per ton mile, as against 18c to 25c with annual transport. Given a large enough programme to warrant special loading facilities, the writer is convinced that very great saving in cost can be expected from this class of transport. It has not, however, been in use long enough to permit of definite conclusions as to actual savings being arrived at.

Conclusion.

The writer has briefly dealt with some practical difficulties to be overcome in a country having a short road history. These difficulties are all the greater and require prompt action owing to the fact that progress calls for a roads system that will at least ensure safe travel between centres by both fast and slow methods. Mechanically-propelled vehicles must play an important part in the future development of all civilized countries. This applies more to South Africa than many other parts of the world where distances are not so great and the railway system is more highly developed. While it may not be possible to meet the requirements in full, there is reason to hope that in the near future transport costs will be reduced 50 per cent without placing an undue burden on the community, affording it an opportunity of deriving the benefits which modern science has placed within reach.