

THE UNION BANK OF CANADA

The Union Bank of Canada added a further nine and three-quarter million dollars to its total assets during its fiscal year ending November 30, for which the report is just issued, and this notwithstanding that the balance sheet was made up just after the Victory Loan payment date with its heavy drafts upon the savings deposits, indeed the amount of money in the savings accounts of this bank at November 30 last, was five millions less than the year before, a condition which is entirely due to the temporary effects of the loan subscription. The loss on savings was more than made up by the gain in non-interest-bearing deposits, which rose 14½ million dollars to \$56,805,208.

While the growth in the volume of assets was less striking than in recent years, the business was of a much more profitable character. It is noteworthy that the Union Bank is now finding itself free to make a very considerable expansion of its commercial loan business, and that there is evidently a plentiful demand for this kind of accommodation. Current loans in Canada are now 74 millions of dollars, an increase of 50 p.c. in two years, and an increase of over 15 millions since 1917. In spite of this loosening of the purse-strings towards general business, there is still a very strong reserve of liquid assets, totalling \$72,368,327 against public liabilities of \$141,553,127, or over 51 p.c.—a very ample ratio, though considerably below what was maintained during the later years of the war.

As a natural consequence of this more active state of the Bank's funds, profits were materially larger than in 1917. Before deductions for taxes and donations they amounted to \$824,175, as compared with \$763,464 in 1917 and \$651,184 in 1916. But the profits in 1917 and 1916 both were subject to a deduction of \$150,000 for contingencies or depreciation, while no such appropriation is necessary in 1918, so that it has been possible this year to transfer \$200,000 from profits to the Rest Account bringing that account up to \$3,600,000 as well as writing off \$75,000 from bank premises. This is the first addition to Rest Account made since the war began, and is a striking evidence of the earning power of the Bank under more normal conditions, with its present enlarged volume of assets. The earnings this year, after deducting war tax, pension fund and \$19,500 of donations, are \$744,675, which is at the rate of 8.8 p.c. on the combined capital and Rest Account, a result which abundantly justifies the aggressive and enterprising policy of the directorate and management in the last few years.

ISSUE BALANCE AUTHORIZED CAPITAL

Referring to the issue of \$3,000,000 new capital, the President, Mr. John Galt, said:—

With our assets over \$150,000,000 we think that the Bank's capital should be increased to the full amount of its authorization, namely, \$8,000,000. We feel that it may be only a short time before our activities necessitate a further increase in our capital stock, and we are recommending to you today a resolution authorizing the directors, when they deem it necessary, to apply to the government to ratify an increase in the capitalization of the Bank from \$8,000,000 to \$15,000,000. It is not our intention to do anything in this direction at the moment, but we feel that it is wise to take this step now as a larger capital may be desirable if our assets continue to

grow at the same pace in the future as they have done it recent years. Your directors will deal with the matter wisely and in the best interests of the Banks."

Mr. H. B. Shaw, General Manager, referring to the appointment of three additional Assistant General Managers, said:—"The increasing importance of our Bank and its extended ramifications, have necessitated the appointment of three additional Assistant General Managers, namely, Mr. F. W. Ashe, with headquarters in London; Mr. F. W. S. Crispo, with headquarters in Winnipeg, and Mr. Geo. Wilson, with headquarters in Toronto. Their experience and long service in banking eminently fit them for their new appointments, and will ensure closer supervision over the administration of the Bank's affairs.

Our offices in London, England, and our Agency in New York, continue to show satisfactory results. The activities of these agencies will, we believe, be greatly increased through the medium of the branches of the Park-Union Overseas Banking Corporation (to which the President has referred), which will be established in Japan, San Francisco and Seattle. The agencies of this subsidiary corporation will immeasurably enlarge our facilities in rendering services of an International character, and we hope and believe will contribute materially to the trade development of Canada with the Orient.

Through the agency of this new enterprise, we anticipate doing our share in assisting Canadian exporters to increase their trade with the Orient and the Yokohama Agency should prove of great value to Canadian importers, inasmuch as it is the intention to establish there a bureau of information, which will collate statistics and other information relating to Japanese affairs generally. This will bring the manufacturer of the East more closely in touch with the importers on this side of the water.

Possessed of millions of acres of undeveloped arable lands and forests, besides illimitable wealth of mineral and other natural resources, the future holds for Canada immeasurable opportunity for industrial and agricultural expansion. What we need is the development of these resources and the market for our products. A selective immigration policy rigorously enforced by the Dominion Government to the end that quality and not quantity shall be the guiding principle, is of paramount importance, and upon this will largely depend the realization of the country's prosperity.

FIRE INSURANCE—EVENING CLASSES

The opening meetings of the classes arranged by the officers of the "Blue Goose" Society, were held in the rooms of the Canadian Fire Underwriters' Association, on Monday and Wednesday evenings, 6th and 8th inst. These classes apparently meet a much felt want and the attendance at both was most encouraging, over sixty gentlemen being present on Wednesday evening. There are still vacancies in both classes and intending members, as well as present members, will kindly note the hour of meeting will in future be 5.45 p.m.

The subject for Wednesday, January 15th, was "Quebec Statutory Conditions."

On Wednesday, January 22nd, the speaker will be Mr. W. E. Sayer, of the Sayer Electric Company, whose subject will be "Electrical Wire Hazards."