

# The Chronicle

## Banking, Insurance and Finance

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### THE GENERAL FINANCIAL SITUATION.

(Continued from Front page)

actually larger than the corresponding drop at the close of 1917 when the first Victory Loan was floated, being \$136,000,000 compared with \$108,000,000, is proportionately considerably less than on the former occasion, considering the amount subscribed to the Loan, an interesting indication of an increased savings capacity, and capability to care for enormous flotations of this kind.

The business community is watching with considerable interest the course of events in the United States in regard to the settlement of the railway question, since it is recognised that whatever decision is come to in this connection by our southern neighbours will have an important influence in Canada. If something like permanent Government ownership and operation of the vast transportation systems of the United States is inaugurated, then undoubtedly Canadian sentiment in favour of nationalisation of the railways would receive a considerable fillip, and possibly it would mean the completion of the process of nationalisation in Canada, by the taking in of the two big roads which now stand outside the Government system. On the other hand, the resumption of private ownership and control in the States would strengthen the hands here of those who believe that the best service to the country as a whole can be given in this way. The growing and already very strong sentiment in the West, in favour of public ownership is also an important factor. Something will probably be heard of this matter at the forthcoming session of Parliament.

### THE ROYAL BANK'S MEETING

As usual the addresses delivered at the Royal Bank's annual meeting of shareholders were rich in suggestive thought regarding Canada's economic position and outlook. The President, Sir Herbert Holt, in advising a policy of thrift, said:

"As all our trade enterprises both at home and abroad must be financed by Canadian capital, their success will be measured by the extent of our national capacity for self-denial. To encourage the habit of thrift among all classes, the Government has inaugurated a War Savings Stamp campaign similar to that which proved so popular in Great Britain and the United States. It is unnecessary to enlarge on the value of individual and national thrift. In England the War Savings Committee have recently announced that the organization built up by it throughout the country will be continued as a permanent part of the national machinery. The development of the habit of saving in England has met with marked results, the number of holders of Government securities increasing from 345,000 at the beginning of the war to over 17,000,000 to-day. The

success of the movement in England would seem to justify its permanent retention in this country."

### Issue of New Capital

The President announced to the shareholders, on behalf of the directors, that the capital stock of the Bank will be increased from \$14,000,000 to \$16,000,000 by an issue of 20,000 shares at \$150 per share.

In June last the Royal opened a branch in Barcelona, Spain, in order to participate in the large trade between that country and her former colonies where the Bank has many branches, with most satisfactory results, and the announcement was made by Mr. Edson L. Pease that the Bank is now preparing to open in Paris, France, in order to secure a share of the commerce which is expected to develop with Canada in the rehabilitation of Northern France and Belgium. Officers of the Royal have also been sent to Vladivostock, Siberia, to open a branch there. Siberia needs many commodities which Canada can supply. Mr. Pease stated that if Canadian industries are to flourish and increase in the face of the world's competition our manufacturing processes must be improved, all waste eliminated, by-products utilized, and research encouraged. In the new order of things there is no room for antiquated or unscientific methods. A step in the right direction is the formation of groups of Trade Guilds with the object of applying scientific knowledge to the problems of various industries. These guilds follow the plan developed with such rapidity and success in the United States and in Great Britain, where more than thirty are now in operation. The determining factor in our success will be progress in scientific research, through which a new impetus will be afforded to industrial activity.

Mr. Pease referred to the extension of Canada export trade, which he stated is vital to her commercial self-preservation and future economic welfare. That Canadian banks can effectively aid Canada's export trade by opening branches in foreign countries was stated by Mr. Pease. He said it did not follow that Canadian deposits would be diverted to foreign fields—the experience of the Royal has proved the contrary. Its foreign deposits have always exceeded its foreign commercial loans, as the Government returns show.

### A Notable Balance Sheet

Mr. C. E. Neil, the general manager, described the Bank's balance sheet for the year ended November 30 (an analysis of which has already appeared in our columns) evincing a year of remarkable growth. The striking progress made by the Bank during 1918 is shown in the following comparison:

	1918	1917
Capital paid up . . . . .	\$14,000,000	\$12,911,700
Reserve . . . . .	15,000,000	14,000,000
Profit and Loss balance . . . . .	535,757	564,264
Circulation . . . . .	39,380,975	28,159,351
Deposits (not bearing int.) . . . . .	135,243,278	70,498,667
Deposits (bearing interest) . . . . .	197,348,439	182,488,716
Total liabilities to public . . . . .	397,547,102	367,703,796
Specie . . . . .	17,488,314	16,079,831
Dominion notes . . . . .	24,636,344	18,284,445
Central Gold Reserve . . . . .	26,000,000	16,000,000
Bank balances abroad . . . . .	10,391,516	10,704,339
Call loans in Canada . . . . .	10,067,481	12,040,687
Call loans abroad . . . . .	24,374,191	14,574,136
Securities held . . . . .	81,305,276	56,686,247
Total of quick assets . . . . .	224,982,088	165,836,707
Current loans and discounts . . . . .	183,359,879	156,122,065
Total assets . . . . .	427,512,982	335,574,186