

The Chronicle

Banking, Insurance and Finance

ESTABLISHED 1881.

PUBLISHED EVERY FRIDAY.

F. WILSON-SMITH,
Proprietor.ARTHUR H. ROWLAND,
Editor.

Office:

406-408 LAKE OF THE WOODS BUILDING,
10 ST. JOHN STREET, MONTREAL.

Annual Subscription, \$3.00. Single Copy, 10 cents.

MONTREAL, FRIDAY, JANUARY 25, 1918

THE CASE OF MAISONNEUVE.

Settlement of the administrative future of the City of Maisonneuve, is a matter of more than local interest. Bond-dealers throughout Canada and the United States, are considerably concerned over the City's financial position, fearing that interest payments will not be met as they become due. As is well known, interest due last 1st November, was only met through advances by a syndicate of banks. The securities of Maisonneuve have been widely distributed in Canada, Great Britain and the United States, and the firms through whom the distribution has been made are naturally concerned that their clients should be protected.

Geographically, Maisonneuve is undoubtedly well situated for future growth and development. It is in the direct line of the local growth of population, its own population has steadily increased in recent years, and now exceeds 40,000; a number of large factories have located in the City, and with the facilities afforded by a mile of water-front, and numerous railways, further industrial expansion in due course may fairly be looked for. On the other hand, the administration of the City has been extravagant. A park is said to have cost between \$6,000,000 and \$7,000,000; magnificent swimming baths have been put up, and other municipal expenditure made on a grandiloquent scale.

With the immediate difficulties surmounted, and a reasonably economical and efficient administration, there is reason to suppose that Maisonneuve's financial position could be steadily improved—its prospects of further development, as already shown, are very fair. The solution of present difficulties would appear to lie in annexation to the City of Montreal, preferably under an arrangement by which the annexed district paid additional taxation, proportional to the amount of its debt, or interest charges, *per capita*, in comparison with Montreal, so that the Maisonneuve people would continue to shoulder the charges of the debt they have incurred, and the burden of it would not be shifted to the City of Montreal, as at present constituted. It might also be advisable to stipulate that, on a suitable opportunity occurring, part of Maisonneuve's too expensive park should be sold for building purposes and a portion of the debt be thereby liquidated.

Sir Lomer Gouin and his advisers, no doubt have this matter at present under serious consideration.

(Continued on page 85)

THE PROVINCIAL BANK OF CANADA'S STATEMENT.

Current activity and prosperity in the industrial centres and agricultural districts served by the Provincial Bank, in the three provinces of Quebec, Ontario and New Brunswick, are reflected in the annual statement for the year ended December 31st last, through enlarged deposits, increased current loans and discounts, and growth in profits. These last are now reported on the same basis as the other banks, as \$207,484, the declaration last year being \$203,984, before payment of provincial, municipal and other taxes except war tax. Deducting these, the 1916 profits were \$187,482. The 1917 earnings are equivalent to 11.8 per cent. upon the paid-up capital and rest. The balance forward makes the total available on profit and loss account \$225,004. Of this amount the 7 per cent. dividend absorbs \$70,000; \$50,000 is transferred to rest making this \$750,000; the war tax on circulation absorbs \$10,000; \$40,000 is set aside to "credit of securities owned by the Bank" and for contingencies; \$23,500 written off bank premises, etc.; and after making other provisions; the increased balance of \$20,004 is carried forward.

THE BANK'S BALANCE SHEET.

The following figures show the leading items of the Bank's newly published balance sheet in comparison with 1916:—

	1917.	1916.
Capital paid up.....	\$ 1,000,000	\$ 1,000,000
Rest.....	750,000	700,000
Profit and Loss Balance.....	20,004	17,520
Circulation.....	1,157,278	1,162,318
Deposits.....	18,182,742	14,717,807
Total liabilities to public.....	19,840,020	16,645,125
Call loans.....	2,787,808	2,678,875
Securities held.....	5,079,075	3,531,084
Quick Assets.....	13,755,887	11,121,543
Current Loans and Discounts.....	7,158,721	6,581,415
Total Assets.....	21,670,995	18,414,464

While circulation is \$5,000 less than a year ago, probably as a result of restriction, owing to heavy taxation making "excess" circulation not very profitable, deposits are nearly \$3,500,000 higher at \$18,182,742. Call loans were increased during the year by \$109,000 to \$2,787,808, and current loans and discounts are nearly \$600,000 higher at \$7,158,721. Securities held—the measure of the Bank's assistance in Government financing—were proportionably very largely increased, being \$5,079,075 compared with \$3,531,084. Holdings of railway and other bonds, etc., were reduced during the year by \$57,000. Dominion Government securities were not held last year, but are now returned as \$778,869, and Canadian municipal, British, etc., securities, \$2,993,015 against \$2,167,629.

Total assets are \$21,670,995, a growth of over \$3,250,000 for the year. Of these, quick assets total \$13,755,887, giving the very satisfactory proportion of liabilities to the public, which are \$19,840,020, of 69.3 per cent.

Under the management of Mr. Tancrede Bienvenu, who has been connected with the Bank since its inception, this institution is steadily developing business in its special field.

Mr. C. A. Bogert, general manager of the Dominion Bank, has been elected president of the Toronto Board of Trade.