

## WORLD'S GREATEST BANKS.

### Comparison of the Leading Monetary Institutions in Various Countries—The Function of Banks.

BY H. M. P. ECKARDT.

It is a matter of common knowledge throughout Canada that the leading banks of the Dominion have grown very rapidly in size and power during the past ten years. The rapidity of their development naturally suggests comparisons with the leading banks of other countries. There is always a number of people who wish to know what places are occupied by the Bank of Montreal and the Bank of Commerce (Canada's biggest banks) among the great banks of the world. Apparently the disposition in the Dominion is to rate the home banks higher than the facts warrant. Many suppose that the Bank of Montreal stands third or fourth and that the Bank of Commerce is eighth or ninth in the class of big banks.

As a matter of fact it is somewhat difficult to make a fair comparison of the various large banks operating in the important countries. At the outset the question arises, what constitutes bigness? Is it ascertained through comparing the paid up capitals, or the total of stockholders' funds as represented by capital and reserve funds, or the total of assets or resources, or the volume of business transacted? Here are four different ways of classifying the banks. A different order would result from each method.

#### Functions of the Banks are Different.

Another thing to be considered is that in the various countries the functions of the banks are different. In Canada they confine themselves exclusively to banking, but in some other countries they engage in other businesses. Also to be remembered is the fact that there is no country in which the details of the banking position are published so fully, so frequently, and so regularly as in Canada. All banks in the Dominion must publish a detailed statement of their position once a month. In Europe only a few of the banks publish statements oftener than once a year, and the statements published are usually sketchy affairs which do not go into particulars very deeply.

Remembering these considerations we may proceed to investigate the standing of the large banks in a few of the principal countries. Before doing so we may note that according to the last return—that for September 30th, 1911—the Bank of Montreal had a paid capital of \$14,400,000, a capital and rest amounting to \$26,400,000, deposits of \$179,903,995, and total assets of \$223,106,408. The Canadian Bank of Commerce at the same date had paid capital of \$11,411,850, capital and rest, \$20,541,330; deposits, \$140,836,057; and total assets, \$173,782,096.

#### Some Large European Banks.

On the continent of Europe there are perhaps ten or a dozen banks outranking the largest Canadian bank in point of total assets. Among them are the great state banks: Bank of France, Imperial Bank of Germany, Imperial Bank of Russia, Bank of Italy, Bank of Spain, National Bank of Belgium. In the case of most of these banks their predominance arises largely from their note issues. They provide a large part of the currency used, and the item of the note circulation swells the figures of the balance sheets to large proportions. Then some of them take into the balance sheet the total of securities held for safe-keeping, and other items which do not appear at all in a Canadian balance sheet.

To give an idea of the immense size of some of the banks in Europe the following extracts are reproduced:

The Imperial Bank of Germany had total assets, December 31st, 1910, of \$1,620,635,100; and capital, \$45,000,000. Among the assets, however, is an item—\$853,652,225—representing its own notes held by itself. The Bank of France, at the same date, had assets \$1,240,636,085. Of this \$822,595,725 represented coin and bullion held principally against the note circulation of \$1,036,711,775.

Then there are three German great banks, as they are called. The Deutsche Bank had capital of \$50,000,000; and reserves, \$26,945,315 as at December 31st, 1910. The profits of this bank in 1910 amounted to \$8,000,000. The Dresdner Bank, the institution which invested in the shares of the Sovereign Bank of Canada, also had capital of \$50,000,000 on December 31st last. Its total assets were \$344,839,415 and its net profits in 1910 exceeded \$6,000,000. The Disconto Gesellschaft is another big German bank with capital of \$42,500,000 and reserves of over \$15,000,000. Its total assets are well above \$200,000,000. These German banks are active in organizing industrial companies and they operate a number of large manufacturing enterprises. Outside of

them are some large mortgage banks with assets in excess of \$200,000,000. In France the Credit Lyonnais has deposits of \$375,000,000. The Comptoir d'Escompte at the end of 1907 had \$236,000,000 of assets; the Credit Foncier de France had \$879,900,830 of assets, of which \$768,115,211 represented mortgages.

#### Big Monetary Institutions of Great Britain.

Coming to England there are nine banks holding more deposits than the Bank of Montreal and ten holding more than the Canadian Bank of Commerce. Converting the pound sterling at \$5, the deposits and note circulation of the Bank of England amounted to \$422,989,615. Three other banks—Lloyds Bank, London County and Westminster, and London City and Midland—have deposits not much less than the Bank of England's aggregate of note circulation and deposits. Lloyds Bank had on December 31st, 1910, \$390,582,340 in deposits; London County and Westminster had \$390,442,630; and London City and Midland had \$367,072,550. The National Provincial Bank of England had deposits of \$325,713,910; Barclay & Company, \$244,409,225; Union of London and Smith's Bank, \$201,079,860; Parr's Bank, \$193,318,525; Capital and Counties, \$188,373,000; London Joint Stock, \$167,940,400.

Australia has a bank—The Bank of New South Wales—with assets of \$229,544,195. It therefore surpasses both of Canada's big banks in this respect.

Finally there are four big national banks in the United States. One of them surpasses the Bank of Montreal in point of capital and assets; and three of them surpass the Canadian Bank of Commerce as regards total assets.

The National City Bank of New York has capital \$25,000,000; capital and surplus, \$45,000,000; assets, \$311,931,594. The Continental and Commercial National of Chicago has capital \$21,500,000; capital and surplus, \$29,500,000; and assets, \$212,709,748. This bank owes its prominent place to an amalgamation occurring a year ago. The National Bank of Commerce of New York has capital \$25,000,000; capital and surplus, \$35,000,000; and assets, \$207,129,590. And the First National, New York, has capital \$10,000,000; capital and surplus, \$25,000,000; and assets, \$160,090,280.

## SHUTTING OUT LIGHT AND FRESH AIR.

By Henry Lye.

About eleven hundred years ago a poor widow accused Petronius, the Emperor Theophilus' brother-in-law, an officer of talents and courage, of having, in violation of law, raised house so high as to render hers almost uninhabitable for want of air and light. The laws concerning the disposition of private buildings in Constantinople were always regarded as an important object of imperial legislation.

Theophilus ordered the grievance to be redressed, but the complaint was subsequently reiterated and the Emperor discovered that his brother-in-law had disobeyed his decision. He now gave orders that the newly-built house should be levelled with the ground and condemned Petronius to be scourged in the public highway.

This shows that the world has degenerated, for now license can be readily obtained for the erection of buildings which not only shut out light and air but expose private dwellings to danger of loss by fire, and stench to innumerable flies from horse stables, to a continuous shower of soot from the soft coal used for heating; adjoining properties are depreciated in value and the owners have no recourse, except by expensive and uncertain law suits against the officials who issue licenses, in the City of Vancouver especially.

The American Smelting and Refining Company, a Guggenheim corporation, has purchased controlling interest of the Indian Mining Company, owning silver-lead propositions in the Portland Canal district.

The Dominion financial statement gives indication of prosperity. During November the consolidated revenue was \$11,595,670, as against \$10,061,060 in November, 1910. In the eight months of the fiscal year the aggregate revenue was \$87,886,848, compared with \$75,875,446 in the corresponding period, an increase of over twelve millions. The expenditure during the month on consolidated account was \$7,485,650, and for the eight months, \$47,784,009, a very slight increase over the same periods of last year. On capital account \$15,835,194 has been spent in the eight months, almost exclusively on railways and public works. The total net debt at the end of the month was \$315,436,632, a decrease since October of \$535,356, and during the eight months of \$3,157,291.