

success in reducing prices to consumers. When a combination is broken up by order of the Supreme Court its component parts do not in every case proceed to compete with each other. On the other hand the Wilson leaders have been devoting themselves largely to the policy of reduction of customs duties as a means of bringing back competition and lowering the cost of living. Perhaps they will be satisfied with the results obtained by that policy. If they are, the corporations may eventually be freed from the constant dread of Government suits under the Sherman anti-trust law.

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Call loans in Canada are 6 to 6½ per cent. as heretofore, and there does not appear to be any notable easing up to the monetary situation. Perhaps the placing of Montreal's \$7,000,000 loan at 4½ will have some tendency to loosen up the local position. But before the banks can expect any substantial general relief, if will be necessary for the numerous municipal and other corporation borrowers, to repay their advances. It is to be noted that in March and April the banking institutions are always under obligation to make extensive loans to manufacturers, contractors, etc., for the purpose of enabling them to prepare for the operations of the summer and fall. The lumber camps in the East have to be paid off too—by means of bank loans. Apart from the repayment by corporations of special loans, apparently the only means of replenishing the bank coffers immediately in prospect is the opening of navigation. Then a very large amount of funds, now tied up in grain loans, will be set free. But that will not occur for two months yet.

RADICAL CHANGES INCONCEIVABLE.

To the Editor of the Chronicle.

Sir—For many years the Canadian Banking System has been the envy and admiration of almost everyone in the United States who has to do with financial matters. It is inconceivable to us that Canadians should seriously consider radical changes in your system. We earnestly hope that whatever changes are made will be such as not to affect the great principle of branch banking which has so successfully proven its value in the Dominion.

Yours, etc.,

JAMES L. KENWAY.

United States Life Insurance Company,
New York City, February 27.

Detroit United's January report shows gross earnings of \$984,608 against \$823,287, an increase of \$161,321. Net earnings were \$306,832 against \$277,462, an advance of \$29,370. Surplus was \$149,070 against \$112,792, an increase of \$36,277.

BANK PENSIONS AND PREMISES.

In the tables on page 323 (compiled exclusively for *The Chronicle*) of appropriations for writing down premises' accounts and for pension fund purposes, the records for the various banks are brought up to date. In the case of the premises' accounts the table now covers a period of 10 years. In that time a very large total has been applied to write down the book value of premises. Nearly \$13,500,000 of stockholders' profits have gone for that purpose. Unlike the additions to the rest account, these appropriations are made exclusively from current earnings. Although the average yearly appropriation for the decade is about \$1,350,000, the amounts appropriated have risen sharply in the past six years. It is now taken as a mark of conservative banking to write off a liberal amount every year when the bank is expending a considerable sum in new buildings.

The appropriations constitute in a sense a reserve fund, for the value of the properties is there notwithstanding the low figures at which they are carried in the books. However, this reserved or surplus value is not accessible or available for dividend purposes, since the banks cannot realize or sell their properties while they are carrying on their business. Also the premises constitute an asset which cannot be used to meet the demands of depositors or other creditors. Therefore, it is good banking to keep the book value of such an asset at a comparatively low figure.

In preceding articles it was remarked that the steady progress made by the pension fund idea in Canada was impressive. The table of pension fund appropriations pictures clearly how one bank after another has taken it up. Thus in 1901, six banks made appropriations for this purpose. In 1902 the number had increased to 8; in 1903 to 9; in 1904 to 10; in 1905 to 11; in 1906 to 12; in 1907 to 14; in 1909 to 16; in 1910 to 17; in 1911 to 18; and in 1912, notwithstanding that the Traders and New Brunswick drop from the list, two other banks take their places and the total remains at 18.

We may add the Bank of Montreal to the list, as that institution has long had a pension fund in operation, although the annual reports do not reveal appropriations for the purpose. After the Internationales is absorbed, it will be the case that all the Canadian banks except five have pension funds. Of these five, four are new banks and the fifth is one of the smaller institutions.

The amount appropriated by the six banks appearing in the list for 1901 was \$59,743. Every year excepting 1908 has shown an increase; and the total in 1912 was seven times as large as the 1901 total. In all, the appropriations during the twelve years have amounted to nearly \$2,300,000.

The latest report regarding the sale of Winnipeg Electric to a syndicate is that the sale is off.