

"payable on demand," and were this prompt payment refused it would be liable to precipitate a "run" by depositors, which would be disastrous. This was the experience of a bank in England during the Overend-Gurney panic. This bank thought to protect its funds by politely informing depositors that their money would be ready for them at the expiration of the notice, a memorandum of which was ostentatiously made. This roused such violent protests and threats that all deposits had to be paid on demand.

The theory that "a commercial bank is not fitted to act the part of a savings institution" is directly contrary to the very basal idea of banking, which is a system by which the spare, the stored, the saved funds of the thrifty may be utilized for supplying financial facilities to the trading community. A bank is like a reservoir into which flow a number of small streams which are useless in themselves, but when combined make a volume of water that supplies the needs of a large community. A commercial bank must act as "a savings institution" if it is to be operated as a commercial institution with advantage to the mercantile interests of the community.

THE HOME INSURANCE COMPANY OF NEW YORK.

The 103rd Semi-Annual Statement of the Home Insurance Company to January, 1905, shows a material advance in financial resources to have been in 1904. The assets now amount to \$19,417,329 against \$18,040,793 in previous year showing an increase of \$1,376,536. The Reserve Premium Fund a year ago was \$6,587,613, it is now \$7,210,566, the increase being \$622,953. The net surplus stands at \$7,376,321 as compared with \$6,574,751 the year before showing an addition of \$801,570 having been made in 1904 which must be regarded as a satisfactory increase in a year marked by such heavy fire losses as those which occurred in 1904. The surplus as regards policy-holders rose in the past year from \$9,574,751 to \$10,376,321.

The bonds owned by the Home Insurance Company have a par value of \$7,170,000 and market value of \$7,607,360. The stocks held have a par value of \$5,195,000 and their market value is \$7,992,900. The excess of market value over par value of the total securities owned by the company amounts to \$3,235,260, the average over par on these assets being over 26 per cent.

The position of the company in regard to prompt payment of claims may be judged by the amount of cash in Banks and Trust companies being \$1,042,689, with \$1,097,079 in hands of agents and in course of collection.

The president, Mr. E. G. Snow is recognized in insurance and financial circles as a man of exceptional extensive ability and sound judgment. This highly eminent institution is represented in Canada by Messrs. Evans and Johnson, of this city.

BANK OF NOVA SCOTIA.

The Bank of Nova Scotia has issued its 73rd Annual Report, which will be found on a later page in this issue.

It is difficult to realize that since this bank was organized, in the life time of many now living, such momentous changes have taken place in the financial and political conditions of Canada as those on record. Those who founded this bank talked of the battle of Trafalgar, of Waterloo, of Lundy's Lane, as to-day we speak of Port Arthur. They saw the American Frigate "Chesapeake" carried captive by a British vessel into Halifax harbour, after a sharp engagement, and discussed the probable fate of the S.S. Royal William, which left Pictou, N.S., to make the first voyage of a steamer to England. Those were times when all sections of Canada, Upper and Lower, and the Maritime Provinces, were pulsing with hope and enterprise. After vicissitudes and struggles which only brought out the sterling qualities of the founders, the Bank of Nova Scotia entered upon its career of remarkable development and success. The institution which a rival thought it could drive out of the field has now 23 branches in Nova Scotia, 12 in New Brunswick, 6 in Ontario, 2 each in Quebec, Prince Edward Island and Newfoundland, 5 in Alberta, 1 each in Manitoba, British Columbia, and West Indies, and 2 in the United States, with correspondents in Great Britain, France, Germany, Cuba and the chief cities of United States.

The financial enlargement has been as conspicuous as the administrative. When started the bank's resources and business were no larger than what are now needed and shown by each one of a considerable number of its branches. The original capital stock paid in of £50,000, or \$200,000, has grown to \$2,000,000; the circulation from \$66,452 to \$1,917,171; the deposits from \$73,000, to \$21,776,502; and discounts from \$224,116 to \$11,103,802. The reserve fund to-day is exactly ten times what it was in 1881, then it was one-third of the paid-up capital, now it is 60 per cent. in excess of the paid-up capital. These comparisons exhibit phenomenal growth in extent of business and reserved strength.

In the year 1904 the bank realized net profits to extent of \$401,560, on a paid-up capital of \$2,000,000, which is over 20 per cent. Towards this result the large reserve fund of \$3,100,100, enjoyed throughout the whole year, contributed. On the combined paid-up capital and reserve fund the net profits equalled 12.70 per cent., which very handsome return evidences high managerial skill and sound judgment.

The bank is well favoured with deposits, the amount being \$21,776,502, which is over ten times the capital paid up. It holds also \$949,965 in de-