

Canada Banks.	Expenditures on Premises, 81 Dec. '03 to age '06. Added to Premises acc. Publicly written off.	
Union Bank of Canada.....	\$341,393	\$110,000x
Dominion Bank.....	375,000	75,630
Imperial Bank of Canada....	255,017	150,041
Sovereign Bank of Canada....	384,287	25,000
Royal Bank of Canada.....	196,552	175,000
Canadian Bank of Commerce.		347,040
Bank of Ottawa.....	198,606	83,247
Merchants Bank of Canada..	186,073	100,000x
Traders Bank of Canada....	248,000	
Bank of Toronto.....	162,069	60,862
Bank of Hamilton.....	210,975	5,000
Bank of British N. America.	112,955	97,238
Molson Bank.....	100,000	64,862
Eastern Townships Bank....	114,578	40,000
Bank of Nova Scotia.....	20,025	127,130

In the case both of Merchants Bank of Canada and of Union Bank of Canada, the further sum of \$100,000 was on 31st May, 1906, taken from the published profits and deducted from Premises Account as carried on the books.

With regard to the first of these columns it is quite possible that the additions to Premises Account may not in every case, have represented expenditure on new premises, etc. If certain banks found that the real value of their premises was far in excess of the book value, it is possible that the book value may have been written up after the manner alleged to have been adopted by one or two insurance companies in Toronto. But it is quite certain that the general practice of the banks is exactly the reverse of this. Even when the bankers have got the book values far below the actual values they still continue, at each successive year end, to make fresh appropriations reducing book values to a yet lower level. It would be easily possible for any interested bank shareholder to detect important instances of "writing up." All he would have to do would be to instruct himself as to the new buildings erected by his bank and their cost. Anyone who has kept in touch with events in the big cities will have no difficulty in tracing where the above big expenditures have been made and what stands for them. The Imperial, the Sovereign and the Ottawa have their big Montreal buildings; some have new Toronto offices, some new Winnipeg offices, and others have pursued a policy of building numerous offices at moderate cost in the lesser cities and towns. The grand total of "amounts written off" (including the figures for lesser amounts not specified above) aggregates \$1,579,086. Thus there is, under the two headings combined, an indicated expenditure of approximately \$4,737,280 in a little over two years. Roughly, one-third of this has come out of profits, two-thirds stand on the books as assets. This is, of course, exclusive of the amount expended by the Bank of Montreal, which was in all probability larger than that of any other, and which came altogether out of profits past or present.

There can hardly be much question as to the wisdom of the banking policy of owning their own

premises to a great extent, so long as they do not lock up too great a proportion of their assets in this way. Shareholders can check up their boards in this, also by observing the amount of premises carried on the books and comparing it with total assets. The big office buildings in the larger cities are believed to yield a fair return on the investment made in them, and they exert—a certain influence in increasing the business of the banks that possess them besides adding to the comfort and usefulness of the office staffs.

THE HOME BANK OF CANADA.

THE FIRST GENERAL STATEMENT VERY SATISFACTORY.

The Home Savings & Loan Company, Toronto, after a long creditable and prosperous career while engaged in that business, has been transformed into a chartered bank, under the management of Mr. James Mason, which raised so high the reputation of the original institution. This change is without precedent in Canada. It is a natural result of conditions that have materially affected the mortgage loan business.

When money can be invested in loans on bonds and stocks at as high rates as mortgages, or even at a shade less, the preference, when deposits have to be invested, will be given to call and short date loans on securities which can be liquidated promptly, whereas a mortgage loan is usually a fixture for a term of years.

The Home Savings & Loan Company consequently withdrew from mortgage loans and utilized its funds for call loans secured by stocks, bonds and debentures, of which it had \$2,634,202 current on 31st December, 1905, the deposits being \$3,284,411, of this balance of \$650,209, the company held \$622,150 in cash, no doubt in preparation for entering upon its new career as a bank.

The statement just issued covers the first 5 months of the banks operations; December 31, 1905, to May 31, 1906.

The capital paid up is \$600,240. Since the bank opened the deposits have risen to \$3,816,286, being an addition of \$531,875 to the sum held by Home Savings Company. To protect these deposits and the circulation, which make a total liability to the public of \$3,975,076, the bank held immediately available assets to extent of \$4,420,984, thus being in a position to liquidate all its liabilities to the public practically on demand and have a balance left of \$454,908, which, with a portion of the discounts, would provide for also reducing the paid-up stock.

The bank has opened 6 branches in Ontario and one at Fernie, B.C.

The Home Bank starts with ample resources, and the managerial ability and experience of Mr. James Mason, general manager, and his directorial colleagues, cannot fail to develop a large prosperous business.