HOME BANK TO ABSORB THE INTERNATIONALE?

The brief but somewhat stormy career of the Banque Internationale du Canada seems likely to be shortly closed by an amalgamation with the Home Bank, of Toronto. It became known this week that negotiations having this end in view were in progress, and a statement has been made by Colonel James Mason, general manager of the Home Bank, that the basis of the agreement has been settled, but that matters of detail have yet to be arranged and will take some time to work out. "Shareholders of the Banque Internationale," he is reported as stating, "will accept Home Bank stock in exchange for their own, but the quantity will depend on what the Home Bank thinks of the Banque Internationale's assets."

With regard to the French holdings of stock in the Banque Internationale, it is stated that on Monday an arrangement was come to whereby these holdings will be transferred to local control.

The Home Bank, originally a savings and loan institution dating from 1854, has now 37 branches of which seven are in Toronto and others in Ontario and the West. Up to the present, it has not had an office in Montreal, so that the acquisition of the Banque Internationale would enable it to open up a new territory. For the year ended May 31, 1912, net profits were $140,030 being about 11 p.c. on the paid-up capital. Last June the dividend rate was raised from six to seven per cent. The board of directors and officers for the term of 1912-1913, are: Eugene O'Keefe, president; Thomas Flynn, vice-president; E. G. Gooderham, John Persse (Winnipeg), W. Parkyn Murray, Thomas A. Crerar (Winnipeg) John Kennedy (Swan River, Man.), Colonel James Mason, directors; Colonel James Mason, general manager; J. Cooper Mason, assistant general manager.

The following are the leading figures of the two banks as at September 30, 1912:—

HOME BANK.

Capital paid up	$1,290,863
Reserve Fund	450,000
Circulation	1,071,535
Total deposits	8,875,175
Specie and Dominion Notes	1,093,445
Call loans in Canada	1,651,747
Current loans in Canada	7,368,691
Current loans elsewhere	Nil.
Total Assets	11,863,553

BANQUE INTERNATIONALE.

Capital paid up	$1,359,843
Reserve Fund	Nil.
Circulation	1,150,710
Total deposits	2,633,979
Specie and Dominion notes	486,024
Call loans in Canada	188,030
Current loans in Canada	1,261,493
Current loans elsewhere	68,465
Total Assets	5,152,614

Application will be made at the next session of the Dominion Parliament by the Imperial Underwriters' Corporation, incorporated in British Columbia, for an act to change the name of the company to Imperial Underwriters' Corporation of Canada, with power to take over the business, assets and liabilities of the provincial company, and to carry on throughout Canada the business of fire, plate-glass and accident insurances. The company's head office will be at Vernon, B.C.

CANADIAN BANKING EXPANSION.

That in recent years the Canadian banks have been growing *pro rata* more rapidly than the national banks of the United States during recent years is the conclusion to be drawn from a study of the facts made by Mr. H. M. P. Eckhardt for the New York Journal of Commerce. Mr. Eckhardt says in part:

While the United States has been wrestling with depression and undergoing liquidation, Canada has been enjoying a period of uninterrupted prosperity—the special causes being heavy influx of new settlers and of new capital. It is but natural, under those circumstances, that the banking of the Dominion should show a very important expansion. Thus on August 31, 1908, the total resources of the banks were $954,518,493, or 10.6 per cent. of the resources of the United States national banks. In 1909 the total had risen to $1,079,284,640, or 11.3 per cent. of the American total at the same date. The increase for that year was 13.1 per cent. as compared with an increase of 6.1 per cent. effected by the national banks.

On August 31, 1910, the Canadian total was $1,223,449,-771, which figure represented 12.5 per cent. of the national banks' assets. The increase in Canada that year was at the rate of 13.4 per cent., as against the 2.6 per cent. increase shown by the national banks. At the end of August, 1911, the resources of the Dominion's chartered banks amounted to $1,322,162,028, or 12.7 per cent. of the national banks' resources—the increase for the year being 8.1 per cent. in Canada and 5.9 per cent. in the United States.

Coming finally to August, 1912, it is seen that the bank assets in Canada amounted to $1,501,817,795, or 13.7 per cent. of the national bank totals. In this year the banking expansion north of the international boundary has been even greater than in preceding years, the totals as at August, 1912, representing an increase of 13.6 per cent. over the totals of August, 1911. In the whole four years the Canadian banks have increased their resources over 57 per cent., the ratio of increase being 2 2-3 times as great as that applying to the national banks.

A notable feature of the situation is the decrease in number of banks. Four years ago there were 33 banks reporting; and now there are only 27. Thus the average bank has nearly doubled in size during the past four years. In 1908 it was an institution with $28,924,000 of assets, and in 1909 it is one with $55,622,000 assets.

The interesting question is, Can the Canadian banks maintain the ratio of growth? That question is exceedingly difficult to answer. As remarked above, the rapid growth has been largely due to heavy influx of capital and population. If that influx continues on the present scale, no doubt the assets of the banks will continue to increase rapidly; if it is interrupted the progress will be slower.

CANADA'S BORROWINGS.

"Is Canada over-borrowing?" was the subject of an address delivered yesterday by Mr. F. Williams Taylor, London (England), manager of the Bank of Montreal, before a large company at the Royal Colonial Institute. The speaker stated that the criticisms levelled at Canadian borrowings, though not ill-natured, had been based upon hasty conclusions, and were wrong in their premises. The popularity of Canadian loans was shown in the fact that secondary towns of the Dominion had borrowed on a 4 per cent. basis, to the envy of towns twenty times their size situated in the United States.

None viewed more regretfully than Canadian bankers, he said, certain Canadian borrowings in the London market. Federal and provincial governments, municipalities and transportation companies must continue to be financed in London, and, therefore, Canadian banks persistently declined to become the medium for speculative issues.