

York, had closed its doors owing to a shortage of \$200,000. As the capital was \$100,000 and surplus \$35,000, the stockholders in this case appear to have lost the whole of their investment and the indications are that the double liability clause will be invoked against them also.

Three days later came the announcement in the press that the capital stock and surplus of the Second National Bank of Cincinnati, Ohio, amounting to \$2,000,000 had been wiped out by losses. The Clearing House Association of Cincinnati took charge of the institution and guaranteed its deposits. An assessment is to be levied on the stockholders to restore the capital. Apparently the loss to stockholders in this case approximates \$2,000,000.

These cases are merely the ones in which publicity was given to the losses. There were probably a number of others, in which the stockholders went down into their pockets without publishing the fact, to make good losses which had been incurred.

Indicated losses to stockholders in the cases of the six or seven banks here mentioned approach \$4,000,000. The developments chronicled show that government inspection of the most rigid character cannot protect bank stockholders from losses resulting from bad and dishonest banking methods, and also that the proposed central bank cannot be expected to remedy this extremely weak feature of United States banking.

THE BANK OF BRITISH NORTH AMERICA.

While the Bank of British North America differs in constitution from the other Canadian institutions, it is at one with them in steady development and conservative progress. Now in the fourth quarter of its first century, the Bank is apparently gaining rather than losing in virility as the years go on. The report submitted at the recent annual meeting held in London forms a record of substantial growth, and it is evident that this Bank is destined to take an increasingly important part in the banking business of the Dominion.

The following are the leading figures of the current balance sheet in comparison with those of 1910 and 1909:—

LIABILITIES.	1909.	1910.	1911.
Capital paid up...	\$4,866,667	\$4,866,667	\$4,866,667
Reserve Fund...	2,539,667	2,652,333	2,774,000
Deposits and current accounts...	30,460,044	32,070,246	36,067,709
Circulation...	3,374,079	3,750,501	4,411,598
Bills payable and other liabilities...	9,879,094	9,614,838	13,712,920
ASSETS.			
Cash and Specie...	\$5,352,833	\$5,812,058	\$7,177,236
At Call and Short Notice...	10,774,049	9,084,842	10,067,432
Investments...	2,709,006	2,506,527	2,838,271
Bills receivable, loans on security, etc...	31,579,098	34,673,314	40,686,723
Bank Premises...	917,237	1,100,185	1,321,217
Net Profit...	494,705	554,942	632,117
To Reserve Fund...	97,333	121,667	121,667

These figures make it clear that 1911 was again a year both of increased business and of enlarged profits, the gains made in both these directions from 1910, itself a year of noticeable growth, being of a

highly satisfactory character. Deposits and current accounts at the close of last year showed, at \$30,067,709, an advance of over \$4,000,000. While there are certain special deposits included in this total which are not expected to be permanent, it is naturally to be anticipated that the bank's deposits will continue to show steady enlargement. Circulation is up by \$661,007 to \$4,411,598, while bills payable and other liabilities show a \$4,100,000 advance to \$13,712,120. On the other hand, cash and specie have advanced by \$1,300,000 to \$7,177,236; cash at call and short notice is up by \$1,000,000 to \$10,067,432, while bills receivable, loans on security, etc., show the substantial increase of \$6,000,000 to \$40,686,723. The bank is strong in cash reserves. Cash and specie at bankers and in hand represent 41.75 p.c. of the immediate liabilities, that is, deposits payable on demand and note circulation, while combined with cash at call and short notice, they actually exceed the amount of the immediate liabilities which have just been particularised. In regard to investments the Bank is in an enviable position. They consist as always, of the highest class of British and Canadian securities, but owing to the change in investment policy decided upon by the Board several years ago, the Bank enjoys complete immunity from the depreciation in the value of securities, which has proved so harassing a factor to the principal banks in the United Kingdom during recent years.

The profits of 1911 at \$632,117 show an advance of over \$77,000 over those of 1910, in which year they were \$554,942. The result would have been still more satisfactory were it not for the fact that the average rate for call money throughout the year in New York was no better than 2.602 per cent., and in London 2.39 per cent., and consequently the large sum maintained at call and short notice, as the first line of the bank's reserves, has been earning a low rate of interest. Of the sum at the disposal of the directors, \$715,830, the shareholders have already received \$146,000, as an interim dividend, and it is now proposed to pay a dividend of 40s. per share, and a bonus of 10s. per share, making 8 per cent. for the year; to transfer to reserve fund, \$121,666, making this fund \$2,774,000, or a proportion of about 57 per cent. to the paid-up capital; to place to premises account, \$48,666, to make the usual grants for the benefit of the Officers' Widows' and Orphans' Fund, Pension Fund, and the Life Insurance Fund; and, finally, to pay a bonus of 5 per cent. on their salaries to the staff. These appropriations will leave a balance of \$92,466 to be carried forward to the new account. A change is being introduced this year in respect of the dividend by paying it "less income tax" instead of "free of income tax," as heretofore. This change has been adopted by nearly all the principal banks in the United Kingdom, who have considered it desirable to separate the income tax payment and to show to each shareholder his individual contribution in respect of the tax. Another change which the board propose to introduce is an alteration in the bank's financial year, whereby the balance sheets will henceforth be made up to May 31 and November 30 in each year instead of, as hitherto, to June 30 and December 31.

An important feature making for the enlarged future of this bank, is the excellent relations existing between the management and the members of the staff. As noted above, liberal allocations are made each year to the various funds for the benefit of the staff, and the handsome way in which their services