

Disposition of Canadian Banking Profits.

	1908.	1907.	1906.	1904.	1903.
Balance brought in	\$ 4,522,929	\$ 2,180,917	\$ 2,736,039	\$ 2,270,595	\$ 1,596,481
Earnings	12,817,774	13,755,789	12,104,703	10,153,828	9,530,074
Premiums New Stock Issues.....	469,075	2,789,677	6,371,151	591,380	5,099,376
Total.....	\$17,809,778	\$18,726,383	\$21,211,893	\$13,015,803	\$16,225,931
Disposed as follows:—					
Paid in Dividends.....	\$ 8,090,616	\$ 8,131,598	\$ 7,208,963	\$ 6,228,803	\$ 5,761,903
Added to Rest.....	3,494,694	4,176,965	9,943,089	3,496,125	7,640,683
Written off Premises	1,365,718	1,758,300	1,331,982	} 897,707	} 615,094
Written off for Depreciation, etc.	376,000	129,534	271,386		
Contributions to Pensions, etc.....	231,166	220,518	189,533	129,847	115,577
Balance Carried out.....	4,261,584	4,309,467	2,266,940	2,263,321	2,092,674
Total.....	\$17,809,778	\$18,726,383	\$21,211,893	\$13,015,803	\$16,225,931

Additions to the rest, out of current profits, need to be considered in connection with additions to the profit and loss balances. Taking the two together it is seen that they have been held at about 25 p.c. of the ordinary profits.

Appropriations for premises show a steady increase—the amount so applied in 1908 was doubtless less because of the moderate reduction of general earnings.

Appropriations shown for depreciation of securities and of other assets do not, of course, tell the whole story about them, as most of the banks appropriate before the declaration of profits, and their annual reports show no traces as to how much has been applied. Naturally there would be more required for the purpose in times of depression such as Canada has just been passing. There have been plenty of indications that a pretty general house-cleaning of bad and doubtful accounts took place in 1908, and the circumstances most likely helped to reduce the declared profits.

In 1903-1904 amounts written off for depreciation, etc., are included with amounts written off premises. It will be noticed that the amount of balances brought in do not correspond with the amount of balances carried out in preceding year. Changes of year end and the dropping of certain banks from the list are responsible for the discrepancy.

In the next table of percentages, it is assumed that in every case the premiums on new stock issues were transferred bodily to rest account and that a sufficient amount of the ordinary profits was added to make up the total addition to the rest.

HOW THE ORDINARY EARNINGS WERE DISPOSED OF.

	1908	1907	1906	1904	1903
Paid in Dividends	63%	59%	60%	61½%	60½%
Added to Rest.....	22	11	25½	28½	27
Written off Premises	10	12½	11	} 9	} 6½
Written off for Depreciation	3	1	2		
Contributions to Pensions etc.2	1½	1½	1	1	1
Added to Profit and Loss Ac.—	15	—	—	—	5
	100%	100%	100%	100%	100%

THE BANK OF MONTREAL has opened a branch at Three Rivers, under the management of Mr. A. L. Branchaud.

THE INSURANCE BILL AND THE LIFE OFFICERS' ASSOCIATION.

The Insurance Bill having passed its second reading, discussion of details is now the order of the day at Ottawa. The threshing-out should make clear just what further modifications may well be made in the legislation proposed—more especially as relating to life insurance. That the bill is materially better suited to Canadian business conditions than was the measure introduced last session, is apparent from the most casual reading. More detailed study, however, gives rise to questionings as to the wisdom of some particulars.

The Life Officers' Association, which meets in Toronto to-day, will rightly have somewhat to say regarding these matters before the committee at Ottawa. And it will be well—not merely for the companies, but for the public also—if the collective managerial wisdom and experience are allowed weight in determining the final form of the bill.

There are two extremes that may be followed in the framing of legislative measures having to do with business enterprises. One is, to assume that all who, through practical experience, are conversant with actual business conditions and workings, are thereby to be considered as biased. Such was notably the tendency in the enacting of New York's insurance legislation in 1906—and the results have been such as to call forth demands for revision, even from that very "business public" which was supposedly eager for radical reform.

The other attitude—and happily that which seems more apparent at Ottawa—is the giving of closest attention to the opinions of those who are most directly and intimately in touch with insurance matters.

Even where some element of self-interest may be discernible in recommendations from such a source, it does not follow that the interests of the public are in conflict—and endangered. Rather, it is still sound economics to remember, with old Adam Smith, that a man in pursuing his own interest frequently promotes more effectually that of society, than when he thinks solely of the latter.