

THE DOMINION BANK.

The Dominion Bank, of Toronto, of which Mr. Clarence A. Bogert is the able general manager, continues to take an increasingly important part in the banking operations of Canada. Only in the course of the year lately closed were the payments completed upon the last new issue of capital, but at the annual meeting on Wednesday, a further issue of \$1,000,000 capital was announced, to be issued at a premium of 100 per cent., thereby raising the paid-up capital, when payments on the new issue are completed, to \$6,000,000 and the rest to \$7,000,000. That the directors should have taken the course announced is an excellent indication not only that the Bank's business is extending very rapidly, but also that those having the affairs of the Dominion Bank in charge are fully determined to keep pace with the growing banking requirements of the country, and to secure for their institution an increasingly important share of the business offering. During 1912, the Bank opened twelve new branches, six in Ontario and six in the West, and the closing of three leaves a net gain for the year of nine branches.

It has already been noted in our columns that the calendar year 1912 was a period of great prosperity for the Dominion Bank. The net profits after making the usual allowances, were \$901,529, or at the rate of 18.38 p.c., an increase of no less than \$197,000 over those of 1911, which were \$704,046. A sum of \$500,116 was bought forward from 1911, and the inclusion in the profit and loss account of \$207,201, premium on new stock, makes a total in this account of \$1,698,846. In addition to the 12 per cent. dividend the Bank has given to its shareholders a bonus of 2 per cent. making a total distribution for the year of 14 per cent. This absorbs \$688,536; \$25,000 is contributed to the Officers' Pension Fund, the premium on new stock, \$207,201, is transferred to the reserve fund, making this fund \$6,000,000, equal to 120 per cent. of the present paid-up capital of \$5,000,000, and the largely increased balance of \$688,109 is carried forward.

Following are the leading items of the balance sheet in comparison with last year:—

	1912.	1911.
Paid-up Capital	\$ 5,000,000	\$ 4,702,799
Reserve	6,000,000	5,702,799
Circulation	5,256,368	4,649,068
Deposits	59,342,436	53,547,865
Total Liabilities to public	67,094,506	58,980,976
Specie and Notes	9,077,884	8,253,890
Call Loans	6,040,075	6,448,429
Quick Assets	29,241,840	27,011,053
Current Loans	46,415,842	40,492,726
Total Assets	79,224,680	70,179,553

It will be seen from these figures that the increase in the Bank's business during 1912, has been of a very gratifying character. There was an increase of over \$600,000 in circulation and deposits advanced by nearly \$6,000,000. Total liabilities to the public are over \$8,000,000 higher than at the close of 1911. On the other side, holdings of cash have been advanced nearly \$800,000 to \$9,077,884, and with balances due from other banks at home and abroad make approximately \$16,000,000, equal to 23.80 p.c. of the total liabilities to the public. Quick assets amount to \$29,241,840, a proportion to liabilities to the public of 43.58 p.c. The total assets are now \$79,224,680, an increase of \$9,000,000 being registered last year.

At Wednesday's meeting, two additional directors were elected in addition to the old board. The new appointees are Mr. Eric W. Hamber, formerly manager of the Bank's office in London, England, and Mr. H. W. Hutchison, of the Winnipeg branch of the John Deere Plow Company. The Bank's St. James Street, Montreal, branch, is attaining increased importance under the management of Mr. M. S. Bogert.

MR. BORDEN'S VIEWS ON THE BANK ACT. **Against Government Inspection—In Favor of External Audits—A Possible Commission.**

In the course of the adjourned debate on the second reading of the new Bank Act on Tuesday, a speech was made by Premier Borden setting forth his views on the banking question. The Prime Minister declared himself against the Government inspection of the banks, commended the scheme of external audits as outlined by the Minister of Finance, demurred to the suggestions of enormous profits by the banks, and stated that a special commission might be useful, but that in the meantime the revision of the Bank Act would be proceeded with.

THE BANKS' PROFITS.

Taking up the statements of certain members of the House about the enormous profits made by the shareholders in the banks, Mr. Borden observed that it would be a good idea if the Minister of Finance should have a compilation made showing facts as they really were. Referring to one bank with which at one time he was himself connected, the Premier said eighty per cent. of the eight millions of the reserve fund of that bank had been paid in cash by the shareholders, in a period of twelve years. No shareholder had received more than from four and a half to four and three-quarters per cent. on his investment. It was idle for certain people to make statements that investors were receiving from twelve to fourteen per cent. It would be a good thing for the Minister of Finance to make a compilation showing how much of the \$106,000,000 of reserve in Canadian banks has been paid in actual cash by shareholders and how much were their profits.

Taking up the contention that there should be a great central bank the Prime Minister stated that he did not think that there was any necessity for that at present. It was possible that the amalgamation of banks might be carried to excess. "You may," said the Premier, "gain competition at the expense of strength and security. We must have both in regard."

THE INSPECTION QUESTION.

Mr. Borden next dealt with the question of the inspection and auditing of banks stating with regard to the suggestions made of Government control of banks, that they were in his opinion tantamount to dictation to the banks to lend certain sums to certain people or when to call in a loan. He thought the questions of whom money should be lent to or when to call in a loan were the province of those whose duty it was to carry on the business of banks. It was putting an impossible burden upon their backs. He could not see where control would begin or end. The management of banks must, said the Premier, be left to the directors and officials of the banks subject to some precautions taken in the interest of