

fine rates not permitting much profit; but retained the inferior class yielding higher rates. Knowing all the people thoroughly, and being familiar with their standing, he could handle this with little danger of loss. He would take security on chattels, etc., and do all the business which the larger banks considered to be beneath their dignity. The chartered bank would advance him what money he needed, and it would send to him all borrowers who could not come up to the bank requirements in the way of security. The two would work together in the friendliest spirit. For one thing the chartered branch manager, in adopting the policy of keeping alive a private banking opposition of the sort is sometimes able to prevent the coming of another chartered bank whose opposition would be much more formidable.

### THE DOMINION BANK.

Some years ago passers along King St., Toronto near to Church St., saw a very narrow, dilapidated store in the hands of carpenters and other workmen. The deadness of that part of the city caused curiosity to be excited as to the purpose to which the renovated premises would be put, and no little surprise was felt when it became known that a newly organized bank was to be the tenant. The office accommodation was no more than is required by a branch in a small town. The promoters indeed did not seem anxious to have a business of city proportions for there was not room for a full staff. When it became known that Mr. William Austin was to be president, Mr. Robert Bethune, manager, Mr. William Mulock, solicitor, it was recognized that the new bank had some of the elements of a strong and progressive institution.

The economy of the initiatory preparations was overdone. In a short time the city business was too large for the offices, so more commodious premises had to be secured by building.

The high character of the general manager drew out to the Dominion Bank a large measure of public favour from the first which led to branches being established in Ontario where deposits were plentiful. Hence the exceptionally high proportion of these funds which the bank held in comparison with its paid-up capital, hence as a consequence the excellent profits that have been made every year without one exception.

The advance made during the career of the Dominion Bank is shown in these figures:

	1904.	1898.	1881.
	\$	\$	\$
Capital paid up.....	3,000,000	1,500,000	970,250
Reserve Fund.....	3,500,000	1,500,000	None.
Deposits.....	29,573,272	13,003,100	3,336,000
Discounts.....	23,689,045	9,098,483	4,205,973

The net profits for the year amounted to \$450,-

670 which is equal to 15.32 p.c. of the paid-up capital. The balance of profit and loss carried forward from 1903 amounts to \$474,902, making a gross amount for distribution of \$934,572.

Out of the profits 10 p.c. dividends were paid to the shareholders absorbing \$300,000. The reserve fund was further strengthened by the addition of \$500,000, making it 16.60 p.c. in excess of the paid-up capital. This left a balance of \$134,572 to be carried forward to profit and loss account.

The whole statement has an air of solidity, and the business of the bank is well distributed. Mr. T. G. Brough, general manager, has proved himself a very worthy successor of the late Mr. D. R. Gamble, by his conservative and successful administration. A branch of the bank was opened in Montreal seven years ago under the management of Mr. Clarence Bogert, on Notre Dame Street. On the completion of the new building erected by the Guardian Assurance Co. on St. James Street, in 1903, the bank entered into possession of the very handsome offices on the ground floor, which had been specially fitted up for them, and which are amongst the handsomest Bank Offices in the Dominion. The business of the Montreal branch has grown to be very considerable.

### THE MONTREAL CLEARING HOUSE.

The report of the chairman of the Montreal Clearing House for 1904 reads as follows:

"I beg to submit the report of the Clearing House Committee for the past year.

"The volume of clearings of the combined banks in Montreal for 1904 was \$1,065,067,000, shrinkage of no less than \$48,911,000, by comparison with the year 1903. This contraction for the last twelve months does not, however, point to a corresponding shrinkage in the volume of trade and commerce which has passed through Montreal during that period, but is significant of the comparative inactivity of the stock exchange, and the curtailment of call loans carried in this city. The business of the stock exchange, it has to be borne in mind, is double-barrelled in its influence upon the volume of bank clearings, inasmuch as the daily settlements between the clearing house of that organization and its members are made by cheque, and are in effect a duplication of the transactions between the brokers and their clients. Hence, largely, the forcible swing, both ways, of the aggregate clearings of the banks for some years.

"Last year a seat on the Clearing House Committee was not a nominal office. Several important matters demanded attention, and necessitated the holding of eight meetings, which I understand to be without precedent since the Clearing House was established in Montreal."

Following is a tabulated statement of the Montreal clearings for the past three years: