

Petersburg bank. When their clients, the fire insurance companies, sold securities and drew upon their balances, and asked for drafts on New York, the banks had to supply them; and to provide funds in New York to meet the drafts they had to ship gold. The participation of London in the Russian loan was quite unusual. Russian loans have not found favour in England for many years, partly on account of English dislike for Russia, and partly because of Russia's not very good credit. It is supposed that there are several reasons for lending a hand with this loan. The first is political. All the European nations are interested in a settled Russia. To restore quiet and order, money was necessary, so all the great nations except Germany who was piqued by Russia's non-support of her at Algieras, joined in the loan. Next, a desire to help out Paris probably played a part in inducing British co-operation. The French influence has been quite effectual in bringing about a more friendly state of affairs between England and Russia. Last, but not least, there is the probability that a large part of the English portion of the loan will be expended in England in the purchase of warships. Quite likely this was stipulated before participation was agreed to.

Then afterwards, when the new American demand threatened to upset London, Paris, comes to the assistance with offerings of gold. Paris, or to speak more definitely, the Bank of France, is not usually very sympathetic with great bull operations in the Wall Street market. It does not willingly release its gold to facilitate such operations. Before letting it go to America it wants to be satisfied that a real need for the money exists. The San Francisco earthquake and fire, and the subsequent liquidation in the New York stock market furnished the necessary proof, and the Bank of France comes to the rescue. It should be remembered that, apart from the insurance losses, the American power to draw gold from Europe is conditioned upon European loans on, and purchases of American securities. The European financiers can stop the flow at their will unless prices of American securities drop to a level to entice exceptionally heavy purchases by European investors and speculators, and even then the movement could be checked by raising interest rates. But it is supposed that the New York demand for gold is about satisfied.

THE DIRECTORS OF THE METROPOLITAN LIFE at a meeting on 24th ult., passed a resolution in which the late Mr. John A. McCall was referred to as having rendered signal service to the cause of life insurance. The board further expressed its high estimate of the fine qualities of mind and heart which made him conspicuous; deplored the fact that a life so admirably equipped for usefulness could not have been longer spared to the world, and extended its sympathy and sorrow to his widow and family, and to all with whom he was allied by the ties of kinship and affection.

THE DOMINION BANK.

A SKETCH OF ITS HISTORY SINCE IT WAS ESTABLISHED IN 1871.

The Dominion Bank was organized in 1870-71. Business was commenced on the 1st February, 1871, in a small office on the north side of King St., near Church, which had been so very economically fitted up as gave no sign of future prominence in the ranks of Canadian banks.

The new bank was ushered in without any demonstration, it took its place quickly, but met with a considerable degree of public confidence from the first day. The founders were wealthy citizens of Toronto, who had built up extensive mercantile establishments by business capacity, energy and honourable dealing, aided by prudence and habits of economy and thrift. On these foundations they designed to erect the new bank, and probably they builded better than they knew for, in after years, the late Hon. Sir Frank Smith, when president of the bank, expressed his great surprise at the unprecedented success which had crowned their enterprise and paid a generous tribute to his predecessor, Mr. James Austen. While the prestige and support given by the founders was so valuable the high reputation and talents of the first general manager, Mr. R. H. Bethune, were of distinguished service in securing public confidence, not in Toronto only, but in a wide district in Ontario, where a number of branches were opened and met with much favour.

The first meeting was held on 1st May, 1872, when it was announced that net profits since commencement, 1st February, 1871, had been realized for \$107,488. Out of this two dividends had been paid of 8 p.c. each. The balance of \$50,000 was used to establish a reserve fund which has grown so remarkably.

The Dominion Bank broke the record by paying a dividend of 8 p.c. before the first year was complete, and a second one for the few months elapsing before the accounts were made up for the first year. The organizing expenses and outlays in establishing the business were insignificant, as judged by a modern standard.

At the meeting held 28th May, 1879, the directors with characteristic prudence expressed the view that, "It is advisable to keep as much of the banks funds as the rest amounts to invested in Government securities. The rate of interest will, of course, be less than what might be made out of ordinary business, still there would be no risk and the amount would be always available."

DEVELOPMENT OF THE BANK, 1871 TO 1905.

	Capital paid up. \$	Reserve Fund. \$	Deposits. \$	Accounts. \$
1872.....	834,544	50,000	892,191	2,089,600
1873.....	970,250	330,000	2,162,031	2,837,095
1887.....	1,500,000	1,070,000	6,019,925	6,224,784
1897.....	1,500,000	1,500,000	10,718,918	9,781,679
1903.....	2,983,865	2,983,865	23,389,680	19,192,340
1905.....	3,000,000	3,500,000	33,955,879	28,564,199