

price of flour at the present time. Nevertheless, the net revenue from such profits per barrel have been sufficient to pile up immense surplus profit accounts, redeem bonds and pay dividends either larger than had hitherto been paid or on stock which received no dividends previous to the last few years."

In the report calculation of net investment has been made in the following way: Total capital, consisting of preferred and common shares, minus good will account, is taken and the amount standing to the credit of the surplus profits account at the beginning of the year is added. In each case, the extent of the goodwill account is shown.

Ogilvie's Profits

A series of special summaries outline the operations of the large milling companies. Of the Ogilvie Flour Mills Company, the report says:—

"The net profits from 1913 to 1917 were approximately: \$470,000 in 1913, \$450,000 in 1914, \$1,500,000 in 1915, \$1,150,000 in 1916, before deducting the war tax, and \$2,100,000 in 1917, before deducting war tax."

"Out of the profits for 1916 and 1917 a total reserve for the two years of about \$1,130,000 was set aside for war tax and a new depreciation account in addition amounting in 1917 to a total of about \$360,000 was opened up in 1916. The surplus profits account increased from approximately \$473,000 in 1913 to \$2,690,000 in 1917. Of these huge profits about \$1,700,000 was contributed by gains made from dealings in wheat in 1916 and 1917."

Validate "Watered" Stock

Respecting the Lake of the Woods Milling Company, the report states that the total net profits for each year, before deducting \$50,000 to validate "watered" stock and before deducting war tax in 1916 and 1917, were approximately \$385,000 in 1913, \$344,000 in 1914, \$525,000 in 1915, \$545,000 in 1916, and \$700,000 in 1917. Of these profits \$42,000 was set aside for war tax in 1916 and \$32,000 in 1917. Net profits on total investment calculated on the above figures were: 10.1 per cent. in 1913, 9.3 per cent. in 1914, 13 per cent. in 1915, 14 per cent. in 1916 and 18 per cent. in 1917.

"After all dividends were paid and all charges made," adds the report, "the surplus profits were increased from 1913 to 1917 by more than \$1,000,000, although \$800,000 of these surplus profits went for redemption of bonds and goodwill account."

Western Canada Company's Profits

Of the Western Canada Flour Mills Company, the report says:—

"The profit per barrel of flour has not greatly increased since 1914. Production has increased. Sixteen cents a barrel profit in 1914 paid ample dividends, a sinking fund and a very satisfactory reserve to the surplus profits account. Fifteen cents a barrel profit in 1916 enabled this company to pay not only a sinking fund, a sufficient depreciation reserve, a war tax of \$35,000, but also a reserve to the surplus profits account larger than that of any previous year."

Maple Leaf Increase

The total stock of the Maple Leaf Milling Company is given as \$5,000,000, \$2,500,000 preferred, and \$2,500,000 common. Of this amount, states the report, \$3,770,000 has been paid in assets, the rest, approximately \$1,250,000, is good will.

The company's surplus profits account increased from \$241,844 in 1913 to \$1,402,332 in 1917. The contingent account increased from \$10,038 in 1913 to \$361,007 in 1917. Thus the total surplus profits account amounted in 1917 to \$1,763,339, or an increase of about \$1,500,000.

"This tremendous increase in the surplus profits account," declares the report, "should rightly be decreased by \$100,000 a year for depreciation up to 1917, which would leave about \$1,100,000. But even after making that reduction, the increase in the account would still be very large indeed. The source of such abnormal profits was the huge revenue from dealings in wheat in 1915 and a substantial profit from the same source in 1917."

The Robin Hood Milling Company is

IMPERIAL BANK OF CANADA

Proceedings of the Forty-Third Annual Meeting of the Shareholders

Held at the Banking House of the Institution, Toronto, on Wednesday, 22nd May, 1918, at 12 Noon

The Forty-Third Annual General Meeting of the Imperial Bank of Canada was held in pursuance of the terms of the Charter at the Banking House of the Institution, 22nd May, 1918.

THE REPORT

The Directors have pleasure in submitting to the Shareholders the Forty-Third Annual Report and Balance Sheet of the affairs of the Bank, as on 30th April, 1918, accompanied by statement of Profit and Loss Account, showing the result of the operations for the fiscal year:—

The balance at credit of Profit and Loss Account carried forward from last year was \$1,164,874.39

The net profits for the year, after deducting the cost of management, paying of Auditors' fees, the interest due to depositors and after making provision for bad and doubtful debts and for rebate on bills under discount amounted to 1,185,042.91

Making a total at credit of Profit and Loss of \$2,349,917.30

This amount has been applied as follows:—
Dividends at the rate of 12 per cent. per annum \$ 440,000.00
Annual Contribution to Officers' Pension and Guarantee Funds 7,500.00
Contributions to Patriotic and other War Funds 27,500.00
War Tax on Bank Note Circulation 70,000.00
Contingent Appropriation to cover Depreciation in Bonds and Debentures 300,000.00
Balance of Account carried forward 1,204,917.30

During the year a Branch of the Bank at Fortnash, Alta., has been opened as a sub-branch to New Norway. The following Branches have been closed: In the Province of Ontario—Marshallville, Port Robinson and Niagara Falls Upper

Bridge Branch, in the Province of British Columbia—Arrowhead and Atholmer, in the Province of Saskatchewan—Pilot Butte.

The Head Office and Branches of the Bank, now numbering 124, were inspected during the year. The Auditors appointed by the Shareholders have also made their examinations as required by the Bank Act, and their report and certificate is attached to the Balance Sheet.

A further subscription of \$21,000 (being the fourth for a similar amount) has been made to the Canadian Patriotic Fund, the payment of which will be made during the course of the coming year.

It is with deep regret that your Directors have to report the loss of their co-Director, Honorable Richard Turner, of Quebec, whose death occurred on December 29, 1917. He occupied a seat on the Board since May, 1904. His place has been filled by the election of Mr. E. Hay.

The Directors testify with pleasure to the loyalty, zeal and faithfulness of the staff, which under the present conditions is laboring under a heavy strain. It is the intention to ask your authority to contribute substantial sums to the Pension Fund of the Staff.

All of which is respectfully submitted.

PELEG HOWLAND,
President.

LIABILITIES	
Notes of the Bank in circulation	\$ 9,908,544.00
Deposits not bearing interest	\$19,916,348.38
Deposits bearing interest, including interest accrued to date of statement	\$5,478,983.48
	\$25,395,281.86
Balances due to other Banks in Canada	\$ 270,932.81
Due to Banks and Banking Correspondents in the United Kingdom	1,109.92
Deposits by and Balances due to Banks elsewhere than in Canada and the United Kingdom	246,126.75
Acceptances under Letters of Credit (as per contra)	\$1,600.00
	1,099,769.48
Total Liabilities to the public	\$ 26,495,051.34
Capital Stock paid in	7,000,000.00
Reserve Fund Account	\$ 7,000,000.00
Dividend No. III (payable 1st May, 1918) for three months, at the rate of 12 per cent. per annum	210,000.00
Balance of Profit and Loss Account carried forward	1,204,917.30
	\$ 8,414,917.30
	\$101,817,909.05

ASSETS	
Current Coin held by the Bank	\$ 2,580,284.78
Dominion Government Notes	\$10,448,488.00
	\$ 13,028,772.78
Deposit in the Central Gold Reserves	\$300,000.00
Deposit with the Minister for the purposes of the Circulation Fund	375,196.86
Notes of other Banks	\$205,649.00
Reques on other Banks	\$175,845.94
Balances due by other Banks in Canada	\$68,719.55
Due from Banks and Banking Correspondents in the United Kingdom	\$64,329.79
Due from Banks and Banking Correspondents elsewhere than in Canada and the United Kingdom	6,748,803.55
	\$ 28,582,497.87
Dominion and Provincial Government Securities, not exceeding market value	\$ 5,361,758.99
Canadian Municipal Securities, and British, foreign and Colonial Public Securities other than Canadian	13,781,872.46
Railway and other Bonds, Debentures and Stocks, not exceeding market value	799,441.82
	\$19,943,073.27
Loans to Provincial Governments	\$ 500,000.00
Loans to Cities, Towns, Municipalities and School Districts	5,684,013.31
Call and Short Loans (not exceeding 30 days) in Canada on Bonds, Debentures and Stocks	2,470,097.07
	\$ 8,654,110.38
	\$ 57,119,681.52
Other Current Loans and Discounts in Canada (less rebate of interest)	\$ 40,309,938.38
Liabilities of Customers under Letters of Credit (as per contra)	\$1,600.00
Overdue Debts (estimated loss provided for)	\$43,480.07
Real Estate (other than Bank premises)	\$454,092.00
Mortgages on Real Estate sold by the Bank	\$13,963.58
Bank Premises, at not more than cost, less amounts written off	\$,064,994.02
Other Assets, not included in the foregoing	\$5,131.47
	\$101,817,909.05

AUDITORS' REPORT TO SHAREHOLDERS

We have compared the above Balance Sheet with the books and accounts at the Chief Office of Imperial Bank of Canada and with the certified returns received from its Branches, and after checking the cash and verifying the securities at the Chief Office and certain of the principal Branches on 30th April, 1918, we certify that in our opinion such Balance Sheet exhibits a true and correct view of the Bank's affairs according to the best of our information, the explanations given to us and as shown by the books of the Bank.

In addition to the examinations mentioned, the cash and

securities at the Chief Office and certain of the principal Branches were checked and verified by us during the year and found to be in accord with the books of the Bank.

All information and explanations required have been given to us and all transactions of the Bank which have come under our notice, have in our opinion been within the powers of the Bank.

G. T. CLARKSON, F.C.A.
R. J. DILWORTH, F.C.A.
of Clarkson, Gordon and Dilworth.

The number of Shareholders in the Bank has been increased during the year from 1,879 to 1,921.

The customary motions were made and carried unanimously.

Mr. G. T. Clarkson, F.C.A., Toronto, and Mr. R. J. Dilworth, F.C.A., Toronto, were appointed auditors of the Bank for the ensuing year.

The Scrutineers appointed at the meeting reported the following Shareholders duly elected Directors for the ensuing year: Messrs. Peleg Howland, Elias Rogers, William Ramsay (of Bowland, Stow, Scotland), Cawthra Mulock, William Hamilton Merritt, M.D. (St. Catharines), Sir William Gage, Sir James Aikins, K.C. (Winnipeg), Hon. W. J. Hanna, M.P.P., John Northway, J. F. Michie, J. W. Woods, E. Hay.

At a subsequent meeting of the Directors, Mr. Peleg Howland was re-elected President and Mr. Elias Rogers Vice-President for the ensuing year.

PELEG HOWLAND, President.

E. HAY, General Manager.