

carried by the banks during the stringent months of 1907 were liquidated during 1908 with the proceeds of loan flotations abroad. This resulted, too, in augmenting such increases in deposits and quick assets as were to be expected during months of business curtailment.

It is not surprising to find, therefore, that both in cash and in call loans the Canadian increase during 1908 was proportionately greater than the British. At the end of 1907 there was very close correspondence observable in the Canadian and English ratios of "cash, call and short loans" to "banking liabilities to the public." The showing was between 25 and 26 per cent. in both cases. Omitting the domestic call loans of Canadian banks, as is customarily done in arriving at the amount of really liquid assets, the year-end ratio was 19.3. But while it is usual to include only foreign call loans in computing the immediately available reserve of Canadian banks, it is perhaps permissible to include the domestic call loans as well in making this particular comparison. (While the latter funds may be less available than the short loans of British banks, the generality of call loans placed abroad by Canadian institutions are more immediately realizable than are the market funds of English banks). During 1908 the Canadian ratio of quick assets to liabilities increased from 25.9 per cent. to 37.2 per cent.—the English showing changing only from 25.1 per cent. to 27.2 per cent.

In the matter of actual cash holdings the similarity of the 1907 year-end positions was scarcely less marked—for Canadian institutions the ratio being 12.8 per cent., and for English 13.2 per cent. Here too, the Canadian increase was proportionately greater, the showing at December 31, 1908, being 18.7 per cent. as compared with the English banks' 14.5 per cent.

Canadian as well as British banks considerably increased their investment holdings in securities during the year—as was natural under prevailing conditions. Nevertheless, in the case of Canadian institutions the proportion of total investments made up by securities decreased from 8.1 per cent. to 7.8 per cent., though increasing in amount. The English banks increased their corresponding ratio from 16.1 per cent to 17.0 per cent during the year.

With ready resources at an unprecedented high level, Canadian banks are now well prepared to support any healthy upward movement of business. As time goes by, increased capital will necessarily be called for by growing banking operations; but for the near future a vast fund of deposits may be looked to as "supplying the wherewithal."

MONTREAL CLEARINGS this week totalled \$43,726,595—which establishes a new high-mark.

THE IMPERIAL BANK OF CANADA.

Among the first of Canadian institutions to show recovery in current loans after the curtailment of 1907-08 was the Imperial Bank of Canada. So considerable, indeed, has been the expansion which has gone with recent months of business quickening, that ordinary discount loans at the close of April were \$26,571,958, as compared with \$23,862,818, a year earlier.

Due largely, no doubt, to its notable experience in this regard, the bank is able to show net profits of \$743,524 for the year ending with April 30, 1909—as compared with \$721,175 for the preceding year. Out of the net earnings, dividends amounting to \$549,539 have been paid for the year, at the rate of 11 per cent. per annum, and the bank premises account has been credited with \$69,921. As the outcome of the year's banking operations, the balance at account of profit and loss has been increased by \$124,063—the total sum of \$599,978 being carried forward into the current year. The premium amounting to \$34,242 received on the balance of the 1906 issue of new capital stock has been credited to rest account, which fund stands at \$5,000,000, exactly equalling in amount the paid-up capital.

With other institutions, the Imperial experienced a marked increase in deposits during 1908. This increase was by no means confined to fluctuating current account balances. On the contrary, savings accounts increased by \$2,500,000, indicating—as the president and general manager, Mr. D. R. Wilkie, pointed out at the recent annual meeting—a material strengthening in funds available for investment purposes. High prices for exported products, security sales abroad, and also the transference of cash by well-to-do American immigrants, have all helped to swell the deposits of Canadian banks since mid-year 1908. Altogether, the deposits of the Imperial increased by about 20 per cent. during the twelvemonth covered by its report, or from \$30,150,000 to a little over \$36,000,000. Even in times of extreme commercial activity, the Imperial keeps to a conservative policy of maintaining substantial cash reserves. At present the proportion of what may be called liquid assets is over 50 per cent. to the bank's \$39,430,000 of liabilities to the public.

During a full generation of Canada's development, the Imperial Bank has taken a prominent part in the business progress of the country. The well-grounded faith of its management in the continued growth of the Dominion finds direct expression in that part of President Wilkie's address to the shareholders which refers to the opening up of new branches. "It is our duty," he said, "not only to endeavour to keep pace, with