

IMPERIAL BANK OF CANADA

When a bank can at one and the same time expand in its business ramifications, increase its profits and improve its financial position generally it can with reason be taken as evidence of efficiency in its management as well as a sign of prosperity in the country.

That this has been the experience of the Imperial Bank of Canada during the fiscal year ending April 30th, last is quite apparent from the annual statement presented to the shareholders at their meeting in Toronto on May 26th.

Increase in Business.

Although the bank opened forty-two new branches during the year, or a total of seventy-six since the armistice was signed, the most satisfactory proof of the bank's expansion is, of course, the extent of the business done and the profits earned. In both these respects the statement of the Imperial Bank stands the test.

Current, or commercial loans, for example, increased during the year, by \$11,908,232 or 24.53 per cent., the total at the end of the fiscal year being \$60,452,943, as compared with \$48,544,711 for the corresponding period of 1919. The increase in total deposits was even larger, the gain being \$14,585,983—a total of \$97,784,217 against \$83,198,234 for the previous year and an improvement of 17.53 per cent. \$72,676,679 of this amount were savings or interest bearing deposits, an increase of \$10,964,535, or 15 per cent. Non-interest bearing deposits increased \$9,621,448, in note circulation there was an appreciation of \$1,483,489.

Profits Reach \$1,379,318.

The profits, after making the usual deductions, amount to \$1,379,318. This, compared with the previous year, is an increase of \$131,802 or 10.56 per cent.

As a result of the favorable experience in respect to profits the directorate has been able, in addition to the usual dividend of 12 per cent. to pay a bonus of 1 per cent. The total outlay for these two purposes was \$910,000, compared with \$840,000 the previous year. After contributing \$140,000 to the pension fund, \$125,000 in Dominion Government taxes, \$5,000 to repatriation campaign, and \$2,500 to officers' guarantee fund, there was carried forward a balance of \$1,062,278, which exceeded that of the previous by \$196,819, or 22.74 per cent.

Strong Position in Assets.

The Imperial Bank is to be congratulated on its strong position respecting assets. The total increased by no less than \$16,087,711, the figures being \$128,274,168, as against \$112,186,457 at the end of April 1919. Cash assets alone at \$30,170,982 equal to 32 per cent. of the bank's liabilities to the public, while the sum of \$60,499,726 immediately

available assets, represent 53.89 per cent. of the liabilities to the public.

While no addition has been made to either capital stock or reserve, the former standing at \$7,000,000 and the latter at \$7,500,000 yet, as already pointed out, the large sum carried forward is to all intents and purposes, an addition to the reserve.

INCREASED VALUE OF LAND

If the volume of emigration now being directed to Canada is to be satisfactorily assimilated, it is necessary that suitable agricultural land should be available at a relatively low price, within a moderate distance of railroad, educational and other facilities conducive to tolerable social comfort. The value of occupied farm lands in all parts of Canada has advanced to an average of \$52 per acre, as compared with \$40 per acre just prior to the war, or by 30 per cent. On the prairies, the average price per acre has advanced \$7, in Ontario and Quebec from \$12 to \$25, and in the Maritime Provinces from \$6 to \$13 per acre. Even with these advances the price remains relatively low, varying from \$29 in Alberta to \$72 in Quebec, and \$174 in British Columbia. These prices, however, are for improved lands, and particularly in the West, are much higher than those of wild lands, of which the Superintendent of Immigration says there are 128,000,000 acres awaiting development in the three prairie provinces. It is evident, therefore, that the opportunities for increased settlement and production are much more favourable in Canada than in other more densely settled areas of North America. In some parts of the United States, land prices have more than doubled and are still advancing. For instance, in the State of Iowa \$900,000 was paid in March for 2,322 acres, or \$387 an acre, while in May a year ago 1,571 acres was purchased for \$353,583 which were resold by August for \$457,647, the spread being \$104,064. A leading bank of that State says that in recent litigation involving a land-selling company, one salesman testified that he had received \$455,000 in salary and commissions for seven months' work, the high prices prevailing for agricultural produce being quoted as the justification for these conditions. In Canada, where the prices for produce vary but little from those in the United States, land values have advanced only moderately, and offer opportunities which should induce immigration. As this is again assuming large proportions, it is reasonable to hope for farm production on a larger scale, and present conditions in domestic manufacturing centres, and in those countries to which our trade extends, are such as to justify the expectation that the demand for food stuffs will maintain prices that will be profitable to the producer.

Bank of Commerce Monthly.