

In eighteen of our thirty-four offices no customers failed during last year, and no losses were made at all, and in five others the losses were of a very trifling character—a gratifying result, which has helped to steady the whole position.

But it must be remembered that a time of mercantile uneasiness has the effect of depreciating the outcome of insolvent estates and properties, causing larger appropriations to be necessary than in better times. Of this we had our full share last year.

BANK'S GENERAL BUSINESS.

But our general business has been well maintained. Deposits are larger, discounts are considerably larger, owing in great measure to the acquisition of a number of desirable new accounts.

We cannot complain of lack of business; in fact, our business is larger than ever. Even had we not opened two new branches, the business of the old ones would have shown a large increase.

You may naturally ask why, with such an increased amount of business, we have made so much less money.

DIMINISHED PROFITS.

The reason is, not only that we have had to write off much more than usual, but that we have made a much smaller amount of ordinary profit.

Competition between banks has come to be as severe as between merchants, with the result that profits have been steadily bearing down for a year or two back. But you may depend upon it, that we shall be on the lookout at all times to make the profits as large as we can, consistently with doing a safe business, or what the directors consider safe.

GENERAL STATE OF THE COUNTRY.

With regard to the state of the country generally, this subject was well opened up at the annual meeting of the Bank of Montreal.

With the remarks there made, I entirely concur.

The real foundation of the prosperity of this, or any other country, is its power to produce and export. In this respect the Dominion, as a whole, has shown constant improvement.

But our point of view, and that of the Government, are entirely distinct. I am not addressing you in Ottawa, but in Montreal, and there is a world of difference between the two. It is undoubtedly true that the volume of trade in the country may be very large—even larger than ever—while, at the same time, numerous failures are taking place, and banks are suffering heavy losses. You may think these two statements inconsistent, but I am speaking of facts as demonstrated by experience.

For example, the volume of our exports of any given article may be very large, and a considerable expansion of business result therefrom; yet the merchants who have exported these goods may have conducted their business imprudently, and made considerable losses, perhaps ruined themselves, bringing thereby loss upon the bank.

This, I can assure you, is not an uncommon occurrence. Similarly, manufacturers in any given year may have done a large business, and made such an output as to stimulate the whole neighborhood round about them, whilst they themselves may have made such losses as to make failure inevitable.

And it must be remembered that on the scale on which Canadian banks do business, a single loss may more than neutralize the profits of fifty active accounts.

But the prime factor in all this matter of bank losses is our credit system.

(To be continued next week.)

IMPERIAL BANK OF CANADA.

The twenty-first 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, 17th June, 1896. There were present:—

H. S. Howland, T. R. Merritt (St. Catharines), Robert Jaffray, William Ramsay of Bowland, T. Sutherland Stayner, Hugh Ryan, Robert Beatty, William Gordon, W. B. Hamilton, R. L. Benson, Rev. E. B. Lawler, R. Donald, R. S. Cassels, A. A. McFall (Bolton), Clarkson Jones, Charles Forrest (Fergus), David Kidd (Hamilton), Prof. Andrew Smith, William Spry, Thomas Walmsley, R. N. Gooch, J. G. Ramsay, George Maclean Rose,

John Gowans, R. Taylor, Nehemiah Merritt, I. J. Gould (Uxbridge), George Robinson, H. C. Hammond, Wm. C. Crowther, W. T. Jennings, William Hendrie (Hamilton), Rev. A. T. Love (Quebec), Charles O'Reilly, M.D., J. Harry Paterson, J. F. Risley, D. R. Wilkie, etc., etc.

The chair was taken by the president, Mr. H. S. Howland, and Mr. D. R. Wilkie was requested to act as secretary.

The secretary, at the request of the chairman, read the report of the directors and the statement of affairs.

REPORT.

The directors have pleasure in meeting the shareholders at the twenty-first annual general meeting and in laying before them the statement of affairs of the bank as on the 30th of May.

The net profits of the year, after making full provision for all bad and doubtful debts, maintaining the fund to cover rebate on unmatured discounted bills and providing the annual contribution to the officers and employees guarantee fund (authorized under by-law 15), are within a few thousand dollars of the net profits of the preceding year.

The bank has benefited by the improved condition of affairs in Manitoba and the North-West Territories, being a result of the gradual development of those sections of the Dominion and of the great harvest of 1895; on the other hand, we have suffered with others from the effects of the dullness in trade covering many articles of commerce, which has prevailed for the past three years.

A branch of the bank was opened during the year in Vancouver, B.C., which it is expected will prove a valuable link in the chain of branches which now stretches from Toronto to the Pacific.

The branches of the bank have been carefully inspected during the year. The officers of the bank continue to perform their respective duties to the satisfaction of your directors.

All of which is respectfully submitted.

H. S. HOWLAND,
President.

STATEMENT OF PROFITS FOR THE YEAR ENDED 30TH MAY, 1896.

Balance at credit of account 31st May, 1895, brought forward....	\$34,589 55
Profits for the year ended 30th May, 1896, after deducting charges of management and interest due depositors, and making full provision for all bad and doubtful debts.....	194,945 85
	\$229,535 40

From which has been taken:

Dividend No. 41, 4 per cent. (paid 1st December, 1895).....	\$78,544 00
Dividend No. 42, 4 per cent. (payable 1st June 1896).....	78,544 00
Bonus of one per cent. (payable 1st June, 1896).....	19,636 00
	176,724 00

Balance of account carried forward \$52,811 40

Rest Account.

Balance at credit of account, 30th May, 1896\$1,156,800 00

TWENTY-FIRST-ANNUAL BALANCE SHEET, 30TH MAY, 1896.

Liabilities.

Notes of the bank in circulation	\$1,201,784 00
Deposits not bearing interest.....	\$1,513,381 29
Deposits bearing interest (including \$38,081.02, being amount of interest accrued on deposits receipts to date)...	7,690,028 62
	9,203,409 91
Due to other banks in Canada..	2,063 79

Total liabilities to the public...	\$10,407,257 70
Capital stock (paid up).....	1,963,600 00
Rest account.....	\$1,156,800 00
Contingent acc't..	23,484 22
Dividend No. 42 (payable 1st June, 1896), four per cent. and bonus one per cent....	98,180 00

Former dividends unclaimed	120 00
Rebate of bills discounted	33,881 65
Balance of profit and loss account carried forward...	52,811 40
	1,366,277 27
	\$13,736,134 97

Assets.

Gold and silver coin	\$ 437,059 98
Dominion Government notes	1,013,290 00
	\$1,450,349 98
Deposit with Dominion Government for security of note circulation	82,209 32
Notes of and cheques on other banks	269,809 72
Balance due from other banks in Canada.....	219,929 81
Balance due from agents in foreign countries	1,053,179 87
Balance due from agents in the United Kingdom.....	106,582 47
Dominion of Canada debentures \$113,800 26	
Municipal and other debentures 692,929 13	
Canadian, British, and other railway securities ..	816,653 99
	1,623,383 38
Due by provincial governments	23,256 71
Loans on call, secured by stocks and debentures	941,475 60
	\$5,770,176 86
Other current loans, discounts and advances	7,428,290 80
Overdue debts (loss provided for).....	34,474 47
Real estate, the property of the bank (other than bank premises)	54,743 72
Mortgages on real estate sold by the bank	93,616 69
Bank premises, including safes, vaults and office furniture, at head office and branches....	317,405 22
Other assets, not included under foregoing heads	37,427 21
	\$13,736,134 97

D. R. WILKIE,
General Manager.

The scrutineers subsequently reported the following shareholders elected directors for the ensuing year:—Messrs. H. S. Howland, T. R. Merritt, Wm. Ramsay, of Bowland, Robert Jaffray, Hugh Ryan, T. Sutherland Stayner, Hon. John Ferguson.

At a subsequent meeting of the directors Mr. H. S. Howland was re-elected president, and Mr. T. R. Merritt, vice-president, for the ensuing year.

By order of the board.

D. R. WILKIE,
General Manager.

Toronto, 17th June, 1896.

BANK OF HAMILTON.

The twenty-fourth annual meeting of the Bank of Hamilton was held on Monday, 15th inst. John Stuart, president, occupied the chair, and J. Turnbull, cashier, was secretary. There were present also John Proctor, George Roach, A. B. Lee (Toronto) and William Gibson, M.P., of the board of directors, and R. S. Morris, Lieut.-Col. A. H. Moore, W. A. Robinson, W. R. Macdonald, George S. Papps, Adam Brown, M. Leggat, David Kidd, J. S. Hendrie, C. S. Murray, W. F. Findlay, Major Henry McLaren, J. C. McKeand, F. W. Gates, John H. Park, F. H. Lamb, Alexander Bruce and W. F. Burton.

The minutes of the last annual meeting were taken as read.

REPORT.

The directors beg to submit their annual report to the shareholders for the year ended May 30, 1896:

The balance at credit of profit and loss account, May 31, 1895, was..\$ 10,819 88