

The statement contains all the going banks except two small concerns whose united assets amount to less than a million and a half. The Crown Bank is not included as it has not yet completed its first year. Results for the Bank of Yarmouth, which failed at the beginning of March, 1905, were not obtainable. Comparing the two years the first thing to be noticed is that the profits earned by the banks generally were very much the same in both instances. The increase, \$650,000, must be considered as very moderate when it is remembered that the banks had at their command an average of some four millions new capital, five millions more in their reserve funds, and fifty-three millions more derived from deposits and circulation than they had in 1903. In comparing the 1904 profits of the individual banks with the results for the previous year, it is to be observed that the great majority show gains, but these gains are not as a rule important, while the increases in the resources wielded by the several banks are quite considerable. The Bank of Montreal's profits for 1904 were a quarter of a million less than for 1903, notwithstanding that the bank had nearly six millions more to work with in 1904. The falling off in this instance has been explained as due to the exceedingly low rates for call money in New York during the latter year. This era of cheap money came into contrast with the era of high rates that followed the upset in the securities markets at the end of 1902. This showing of the largest bank had a powerful influence on the general result. It will be remembered also that some industries in Eastern Canada were not in very flourishing condition in the year just past. The great dairy industry was under the cloud of low prices for cheese; the important lumber industry was depressed; the wheat crop of Ontario proved very discouraging; all was not well with the boot and shoe factories.

These factors, no doubt, had something to do in making it more difficult for the banks to earn profits.

Another striking feature in the statement now presented is the great falling off in premiums received on new stock issues. Last year the banks received from this source no less than \$5,099,376; this year they received but \$591,380. Here, apparently, is convincing evidence that the movement to increase the country's banking capital, which has been in force for the last few years, is well nigh spent for the time being. It is true that there was in 1903 the specially large amount of \$1,381,492 reported by the Bank of Montreal. But a glance at the records shows plainly enough that the drop in these premiums is due to the general inaction of the banks rather than to the absence of particularly large individual amounts.

Turning to the other side of the account, the dividends paid to stockholders increased roundly half a million, which represents distributions, chiefly at the former rates, on the new capital paid in. Additions to reserve funds are less by \$4,139,558. The difference is accounted for, within a few hundred thousand dollars, by the decrease in the receipts as premiums on new stock referred to above.

There is a larger amount written off for depreciation of assets, premiums, etc.—\$897,707 in 1894, as against \$608,091 in 1893. The increase was caused chiefly by the revaluation of assets made by the new general manager of the Union Bank of Canada upon his coming into power.

The amounts contributed to pension funds, etc., shows a slight increase. New banks are forming these funds, and others which had already organized them are increasing their contributions. This is a highly gratifying feature. The statement showing the profits and how they were disposed of, follows.

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CANADIAN BANKS—DISPOSITION, OF PROFITS, 1904.

BANKS.	Profit and Loss Balance brought in.	Earnings 1905	Premium on New Stock.	TOTAL.	Paid in Dividends	Added to Reserve Fund.	Written off for Deprec'tns Premises etc.	Contributions to Pension Fund, etc.	Profit and Loss Balance carried out.	TOTAL.
Bank of Montreal	\$373,988	\$1,609,208	.....	\$1,983,196	\$1,400,000	.....	.....	.....	\$583,196	\$1,983,196
Canadian Bank of Commerce ..	165,559	1,124,973	.....	1,290,532	609,000	500,000	127,806	25,000	28,726	1,290,532
Merchants Bank of Canada.....	74,245	729,714	.....	803,959	420,000	300,000	50,000	15,000	28,959	803,959
Bank of British North America.	32,879	447,539	.....	480,418	292,000	97,333	48,666	10,347	32,072	480,418
Imperial Bank of Canada.....	160,387	504,414	13,688	678,489	299,194	213,688	25,000	.. ..	140,607	678,489
Dominion Bank	474,993	459,670	.....	934,573	300,000	500,000	.....	.....	134,573	934,573
Royal Bank of Canada	192,705	435,938	.....	627,743	240,000	.....	75,000	10,000	302,743	627,743
Bank of Toronto.....	103,194	\$440,506	45,570	589,270	297,422	145,570	25,493	7,500	113,285	589,270
Molson's Bank	25,756	\$447,628	129,222	602,606	266,929	279,222	9,378	10,000	37,077	602,606
Quebec Bank	47,441	283,221	.....	330,662	162,500	100,000	25,000	5,000	38,162	330,662
Bank of Ottawa	66,344	357,684	25,821	449,849	224,407	110,821	36,289	5,000	73,332	449,849
Union Bank of Canada.....	24,117	438,697	.....	462,814	174,763	.....	210,711	10,000	67,340	462,814
Eastern Townships Bank	27,647	306,969	22,995	357,611	197,393	50,000	80,000	.....	30,218	357,611
Bank of Nova Scotia	41,638	401,561	.....	443,199	200,000	100,000	91,260	12,000	39,939	443,199
Bank of Hamilton	70,122	335,513	195,483	601,118	219,037	300,000	10,000	5,000	67,081	601,118
Banque d'Hochelega	25,662	295,337	.....	320,999	140,000	150,000	.....	10,000	20,999	320,999
Banque Nationale	69,705	152,777	.....	222,482	90,000	50,000	.....	.....	82,482	222,482
Traders Bank of Canada	14,975	238,422	150,000	403,397	130,719	250,000	.....	.....	22,678	403,397
Ontario Bank	73,607	176,255	.....	249,862	90,000	100,000	.....	5,000	54,862	249,862
Union Bank of Halifax	6,504	148,308	6,406	161,218	93,405	45,000	20,322	.....	2,491	161,218
Sovereign Bank of Canada	1,352	119,761	1,991	123,104	65,000	26,991	25,000	.....	6,113	123,104
Standard Bank of Canada	14,507	183,007	.....	197,514	100,000	75,000	.....	.....	22,514	197,514
Metropolitan Bank	18,233	84,815	.....	103,048	.....	.....	.....	.....	103,048	103,048
Peoples Bank of Halifax	15,261	85,671	.....	100,932	59,976	.....	5,300	.....	35,656	100,932
Provincial Bank of Canada	100,000	80,227	.....	180,227	24,699	.....	.....	.....	155,528	180,227
Bank of New Brunswick	6,521	92,389	.....	98,910	60,000	25,000	.....	.....	13,910	98,910
Western Bank of Canada.....	14,414	76,415	.....	90,829	30,442	42,500	15,000	.....	2,887	90,829
*Banque de St. Hyacinthe	18,919	13,874	.....	32,793	.....	.....	9,482	.....	23,311	32,793
Merchants Bank of P.E. Island.	879	57,895	204	58,978	27,517	30,000	.....	.....	1,461	58,978
†Peoples Bank of New Brunswick	9,131	26,340	.....	35,471	14,400	5,000	8,000	.....	8,071	35,471
	\$2,270,595	\$10,153,828	\$591,380	\$13,015,803	\$6,228,803	\$3,496,125	\$897,707	\$129,847	\$2,263,321	\$13,015,803

* Ten months.

† Eleven months.

‡ Taxes deducted.