

ANNUAL MEETING OF THE IMPERIAL BANK.

Years of industrial expansion and prosperity bring their special problems for consideration by those who direct a country's banking activities. Certain of these questions were ably dealt with by Mr. D. R. Wilkie, president and general manager of the Imperial Bank, at the annual meeting on 22nd inst. Words of caution were given regarding undue growth of municipal debts. As to this he remarked:

"I do not reflect in any way upon the value of securities now upon the market, I believe them to be good and sound and desirable investments, but it is unfortunate that there should be a willingness on the part of municipal corporations and officers to enter upon expenditures which might, and should be, postponed until in each case the financial standing of the municipality has been thoroughly well established and a market has been found for its securities."

Commenting upon the progress made by the Imperial Bank during the past year, Mr. Wilkie remarked that the figures of the annual report indicate continued expansion of business along legitimate and profitable lines. The bank's circulation has increased by over \$350,000 since April 30, 1906, and deposits by about \$3,500,000. Current loans are \$4,400,000 greater than the year before, while capital and surplus profits show an increase of nearly \$2,000,000. In view of business results during recent years, an advance has been made in the rate of dividend to 11 p.c. The profits of the past year amounted to over 16½ p.c. upon the average paid-up capital, or something over 8 p.c. upon the capital and reserve. The large balance kept by the bank at the credit of profit and loss account is a feature of the annual statement.

Almost a third of a century has elapsed since the founding of the Imperial Bank of Canada. That its progress during the past decade has been especially marked, is evident from the following comparison:

	1898.	1907.
Capital Paid up	\$2,000,000	\$4,773,948
Res.	1,200,000	4,773,948
Total Deposits	11,344,310	31,928,099
Total Loans and Discounts	8,132,002	25,715,495
Current Loans and Discounts	1,642,539	6,700,561
Specie and Dominion Notes	16,525,987	45,641,257

A striking instance of the adaptability of Canadian banking methods to the Dominion's growing requirements is seen in the shareholders' authorization of an increase of \$5,000,000 in the capital of this bank. It is intended to allot the new shares from time to time as business calls for additional capital—no immediate allotment, however, being contemplated. This taking of time by the forelock on the part of the Imperial and other banks makes an important provision for the country's future currency needs—under a system where every increase of a hundred dollars in paid-up capital may be made the basis of that much additional bank note circulation. Contrasting this currency elasticity with the arbitrariness of United States conditions, it is not without reason that The New York Journal of Commerce remarks: "Canada has an ideal credit currency system." For which frank acknowledgment one can forgive the added state-

ment that the Dominion "is more than satisfied, and loses no proper occasion for descanting upon the advantages that it affords."

THE HEGEMAN INDICTMENT.

A meeting of the Superintendent and Officers of the Metropolitan Life Insurance Company was held at New York on Saturday, at which the New York Grand Jury's indictment against Mr. John R. Hegeman, was discussed by Mr. Haley Fiske, vice-president and counsel.

Mr. A. G. B. Claxton, K.C., who was present, has just returned from New York, and points out that the dispatches published in Montreal last week convey an absolutely false idea of the charges made against the Metropolitan's president.

Mr. Claxton points out that the indictments refer to the annual statements of 1902, 1903 and 1904, and that the charge is not that these statements set out a larger amount of assets than what the company possessed, but that it is alleged that certain collateral loans were entered as cash. The charge is a purely technical one.

At the various company's meetings expressions of sympathy to the President who has served thirty-seven years with the company were unanimously passed. We quote the following from the Resolutions of the Board of Directors:

"The facts upon which the indictments are based were disclosed with the utmost frankness by President Hegeman before the Armstrong Committee. The report of that committee recited the facts, without criticism. The facts are that some years ago at the end of each of several years the President sold collateral loans and repurchased them at the beginning of the succeeding year. In each case the evidence of the loan and the collateral therewith were delivered to the purchaser, who, in each case, gave a cheque to the order of the company, which cheque was deposited to the credit of the company and paid in due course of business.

"Mr. Hegeman testified before the Armstrong Committee that these transactions were entered into for the purpose of keeping away a horde of applications for call loans from the Wall Street district. The practice was not concealed from the Insurance Department; on the contrary that Department, on two separate occasions, under two different administrations, was informed of it and made no criticism of it.

"The charge is that the annual statements of the company were incorrect in that they reported cash instead of collateral loans. Yet it is not disputed that as matter of fact the cash was in the company treasury and the collateral loans were not. Counsel advise the company that the legal title to these loans was not in the company on the last day of the year when the report was made, but was in the parties to whom they were sold.

"No profit out of these transactions was made by any individual; no loss to the company arose out of them. In fact every collateral loan was paid in full, with interest, when called, and the company has never lost a dollar through that form of investment."