

be necessary upon occasion. And it would seem from the free hand given Mr. Fyshe in the valuation of assets that the directors wished to have the opinion of a fresh mind, and this the mind of a trained banker, upon the value of securities which the former management had been accustomed to rate, and possibly still rates, somewhat higher. It is admitted that there may be considerable recoveries from this \$474,605 written off; but if there are not, the bank has still a Rest equal to 43½ per cent. of the paid capital, and has earning power that ought to enable it to keep up its dividend—though it did not earn the dividend last year by \$40,000.

There is nothing wonderful about the writing down of the Merchants Bank assets this year, which amount to twenty-five millions and more, by such a sum as \$400,000. For twenty years this important bank has accumulated profits, until its Rest has grown from \$400,000 at the time of the reorganization in 1877-8 to \$3,000,000, or one-half the amount of the capital, last year. This showed wonderful earning power; and we repeat that no surprise need be occasioned if some writing off has been adjudged necessary. The position of the bank is strong, whether considered as regards earning power or with respect to readily available assets.

In his remarks upon the state of the country, the general manager agreed with his confrere of the Bank of Montreal that "business is good and the outlook promising." But he also desired it to be remembered that we are only emerging from a long-continued period of depression. While the good cereal crops have done wonders for the country, and while a change for the better in mercantile affairs has undoubtedly come, the decrease in insolvencies among traders has not been so marked as it should. Unsound business is still being done in Canada; the credit system is in some departments of trade very faulty still, and as Mr. Hague adds, with emphasis, "banks occasionally learn by bitter experience that their mercantile customers may fail, and fail badly, even when the country is generally prosperous." He referred with approval to the recent Nova Scotia enactment doing away with preferences in cases of insolvency, and to the reduction of interest by the Dominion Government on its savings bank deposits, and closed with a wise word of caution to all who give or deal in credit.

#### IMPERIAL BANK OF CANADA.

It is a dozen years, if not more, since the Imperial Bank of Canada began the investment of a considerable part of its assets in Government or municipal securities. To this policy the management has since adhered; and today this bank has, if we do not mistake, a larger sum thus invested than ever before. It is as if its authorities had proceeded upon the view that instead of bidding against other banks for current discounts, and making more or less concession in order to get them, just as much money was to be made by keeping a large share of their resources in easily available shape, so as to be able to take advantage of special transactions or states of the money market. And indeed, to judge by the profits shown to have been earned, this policy has "panned out" well, for the bank shows net earnings of 11.56 per cent., where at the date of the statement nearly half its assets (48.8 per cent.) were in cash or readily available shape. The Imperial's showing is a very strong one and well bears analysis. All the more credit to their skill as bankers if they can maintain so large a proportion of their resources well in hand, and at the same time earn for their shareholders dividends above the average.

#### BANK OF TORONTO.

Banks which divide ten per cent. yearly to their shareholders require, in these days when complaint is rife as to reduced profits, larger earning power than ones which are expected to divide only six per cent., or eight. Happily for the bank of Toronto, while not getting an exceptionally large proportion of deposits without interest, it can yet show deposit moneys in the proportion of ten millions to capital of two millions. Its rest has besides reached such figures—ninety per cent. of capital—as that additions to it are no longer a pressing consideration. Thus it has been able to devote the whole of its net earnings to payment of dividend and the maintenance of a fair sum at credit of profit and loss. While its proportion of cash assets is moderate—31 per cent.—the holding of debentures is not large, and it shows no call loans as such. Presumably its management is satisfied to keep its eleven millions in the shape of current loans, finding therein adequate sources of profit.

#### STANDARD BANK OF CANADA.

The declared net profits of the Standard Bank of Canada are larger than they have been in any year since 1893-4, reaching as they do the sum of \$115,157, which is at the rate of more than 11½ per cent. on capital. This enables the directors, after dividing eight per cent. to shareholders, to devote \$5,000 to writing down office safes and furniture; and even enough remains to increase the balance carried forward to the sum of \$101,190. A steady and productive business is indicated by these figures, and the profits mentioned were earned, the report tells us, in spite of a large accumulation of money during a part of the year—the earlier part, we presume—for which profitable outlet could not be found. Deposits continue to increase, and the rise in circulation compared with the previous year is remarkable.

#### ONTARIO BANK.

To have been able to earn its dividend, properly under the circumstances not a large one, to place \$20,000 to Rest, to put aside \$5,000 for officers' guarantee fund, to write something off bank premises account, and yet carry forward a larger sum than in the previous year, is a result of twelve months' business which entitles the authorities of the Ontario Bank to congratulation. Circulation has advanced steadily during two years past, and the growth of deposits has enabled an increase of \$700,000 in current discounts at the same time with a still greater relative increase in immediately available assets. We observe that Mr. John Hallam has been appointed to the board of management, in the room of the late Mr. George M. Rose.

#### INTERNATIONAL CONGRESS OF ACTUARIES.

On four days of May, from Monday 16th to Friday 20th, the second International Congress of Actuaries was in session in London, England, the first having been held, it will be remembered, in Brussels in 1895. The president of the Institute of Actuaries, Mr. T. E. Young, F.R.A.S., was elected chairman of the congress, and delivered a learned and interesting address. He welcomed the delegates to what he termed "the ancestral home of actuarial science." Many distinguished mathematicians were present at the congress. Not only were Belgium, France, Germany, Russia, represented by some of their most skilled actuaries, but the United States, Canada and the Austra-