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BANK OF MONTREAL SHAREHOLDERS RATIFY PURCHASE OF BANK OF BRITISH NORTH AMERICA.

The agreement for the purchase of the Bank of British North America by the Bank of Montreal was unanimously approved at the special meeting of the shareholders of the Bank of Montreal held on the 10th instant. As the shareholders of the B. N. A. had similarly given their approval to the terms offered by the Bank of Montreal, application to the Governor-General in Council for his approval, in accordance with the provisions of the Bank Act, will now be made in due course. A preliminary step will be the formal publication of a notice of the bank's intention to make this application.

In submitting the resolution in approval of the agreement to the shareholders of the Bank of Montreal yesterday, the president, Sir Vincent Meredith, said:

"Your directors decided, after very full and careful consideration over an extended period, that it was in the best interests of the Bank to acquire the Bank of British North America. Our action would also correct an anomalous situation in the Canadian banking field by eliminating the only bank operating in the Dominion not governed by the Canadian Banking Act.

"Negotiations were opened and brought to a successful conclusion recently with the result that the directors of both banks entered into a provisional agreement, subject to their shareholders' ratification. A copy of the agreement is before you, and your directors feel that you will consider the terms advantageous to us and equitable to both.

"Briefly, the Bank of Montreal purchases all the assets wherever situated and assumes all the liabilities of the Bank of British North America for the consideration of £75 cash payable in London for each share of the Bank of British North America of the par value of £50.

"The shareholders of the Bank of British North America have the option of exchanging their holdings of Bank of British North America stock of the par value of £50 for two shares of Bank of Montreal stock of the par value of \$100 each.

"A preliminary examination of the business of the bank has justified our opinion of its soundness and the terms on which your directors have agreed, with your approval, to take it over."

NEW STEEL POLICY ADOPTED AT OTTAWA.

A radical step has been taken by the Government at Ottawa, to insure adequate production and proper distribution of iron and steel raw materials in Canada to meet war and industrial needs. An Order-in-Council has been passed empowering the War Trade Board to co-ordinate the manufacturing capacity of Canadian iron and steel factories and distribute orders among them according to the capacity of the individual factories to take care of the orders to the best national advantage.

Generally, the War Trade Board is authorized and instructed to see to it that the basic raw materials of manufacture in Canada, both for munitions and for industrial purposes, are turned out to the greatest possible economic advantage, and with the best possible distribution of supplies of labour and materials.

The War Trade Board will exercise supervision over the iron and steel industry analogous to that exercised by the Railway War Board over the railways. Each company will still, of course, retain its corporate entity and look after its own financial arrangements and management as heretofore. But the flow of orders will be regulated by the War Trade Board so as to prevent congestion with any one particular company, and possibly also so as to secure a specialization on output of particular commodities by individual companies with a view to speeding output and generally regulating supply and demand.

With the great scarcity of iron and steel raw materials, both in the United States and in Canada, and with an enormous demand to meet the munitions orders in sight for the next twelve months, it has been found necessary to provide for the Government control and supervision of the iron and steel industry in each country.

Similar action has already been taken at Washington to regulate iron and steel output in the United States.

THE GENERAL FINANCIAL SITUATION.

(Continued from Front Page)

of a boom in stocks while the supply of money and credit is so rigorously conserved. Even if further good news comes from the French battlefields, would-be enthusiastic purchasers of stocks on margin will likely have to hold their enthusiasm in bounds until circumstances permit the bankers to loosen their purse strings. To some extent the same shortage of funds for margin purchases has been in evidence here; but nevertheless a number of our prominent industrial stocks scored substantial advances. The recently announced plan of the New York banks, to lend at call on acceptances, is now in operation. Loans are made at call on acceptances at $4\frac{1}{2}$ per cent., as against the 6 per cent. rate exacted for loans on stock market collateral. It is not expected that very large amounts will be employed in this form at present.

In their Saturday statement the New York Clearing House banks reported loan increase of \$119,800,000; an increase of \$14,200,000 in reserve in Federal Reserve Bank; an increase of \$82,000,000 in net demand deposits; and an increase of \$3,300,000 in excess reserve—bringing the aggregate thereof up to \$58,700,000.