

**Canadian Capital  
in Brazil.**

Another instance of the pluck and sagacity of Canadian promoters and capitalists has just been made public

by the announcement of the completion of arrangements to supply the city of San Paulo, Brazil, with an electric street car service. The same spirit of enterprise which has manifested itself in equipping our leading cities with an admirable system of street railways, has led those most interested therein to look abroad for investments of the same character, and a Canadian company has been organized, and all the required capital subscribed, for the purpose of operating an electric railway, lighting and power business in the city of San Paulo, Brazil.

San Paulo has about 250,000 inhabitants, and, owing to its situation on an elevated plateau some 2,000 feet above sea-level, enjoys a peculiarly salubrious climate and is the most thriving city in the Republic of Brazil. The city virtually absorbs the entire trade of Southern Brazil, and it speaks volumes for the wealth and enterprise of our people that they should now be assisting in the development of important cities in tropical countries.

The San Paulo Electric Tramway and Power Company has acquired valuable privileges from the Brazilian municipal and provincial governments. The rights granted under these franchises are very liberal, both as regards the route, construction and operation of the projected railway. The ownership by the company of the only available water power, with a minimum capacity of 12,000 horse power, situated about eighteen miles from the city, will practically ensure the success of the undertaking, and also secure for the company perfect immunity from any successful competition. The Brazilians are manifesting the greatest interest in the scheme, are giving all the assistance possible in the work of the company, and are anxious for the early completion of the road. The capitalization of the company necessitated a subscription of eleven millions of dollars, and the bulk of this large amount has been taken by Montreal, Toronto and Halifax. A thorough survey of the field of operations has been made by some of the most competent street railway engineers, and the work of construction is being pushed with the usual vigour of Canadians.

Taken in conjunction with the financial support being found in Canada for the mining industry of British Columbia, and the phenomenal growth in the deposits held by the chartered banks, (to which attention was directed at the annual meeting, on Monday last, of the Bank of Montreal), this latest investment of Canadian capital in the tropics affords strong evidence of the ever-increasing wealth of the Dominion.

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**BANK OF MONTREAL.**

At the annual meeting of the shareholders of this bank, on Monday last, the 81st general statement of its assets and liabilities as at the close of the financial year (30th April) was submitted for the criticism of

those present. **THE CHRONICLE** has already fully reviewed the figures of the statement for the purpose of enabling those who are interested, and very few true Canadians are not interested in the progress of this almost national institution, to judge of its condition and to note the signs of its ever-increasing strength and solidity.

Mr. Clouston, the General Manager of the Dominion's largest bank, in his explanations to the shareholders of the most notable items in the statement submitted to the meeting, and in the course of his concise remarks upon matters of financial interest, modestly refrained from making any reference to the expansion in the trade and commerce of the country as being a verification of his opinion, expressed at last year's general meeting of shareholders, "generally speaking, business is good, and the outlook promising." We fail to find any evidence in the latest utterances of the general manager of the country's greatest bank that he apprehends any marked abatement in the business prosperity of the Dominion during the present year, and it is good to observe that even the cautious banker, in referring to the present condition of affairs in Canada, says that with respect thereto, "there can scarcely be two opinions."

Upon the question of establishing a mint in the Dominion, Mr. Clouston speaks with no uncertain sound, and it is quite evident that the Minister of Finance, when opposing the suggestion in Parliament, very fully expressed the views entertained by the large majority of bankers upon the undesirability of a gold coinage. Probably the most important matter discussed at the meeting was that of the reserve fund, and incidentally the desire of some shareholders for increased dividends. It is refreshing to note how quickly those entrusted with the control of the most important bank in Canada read from the minutes of a meeting held a quarter of a century ago, some wise words advocating the policy of caution upon which the strength and solidity of our banks is based, and upon which, in days of business depression and adversity, they will have to depend. If any shareholder in a Canadian bank expects to receive dividends exceeding ten per cent. per annum, surely he can be convinced by the annual statement of the Bank of Montreal that, even in prosperous times, it is not easy to earn the large amount of money representing 10 per cent. on twelve millions of dollars. Mr. Clouston says: "the excessive competition in Banking, will explain why our profits do not show a greater increase for the year, notwithstanding the employment of so much more capital."

It is this *excessive* competition which is leading financial journals on both sides of the Atlantic to advocate the amalgamation of banks, having interests likely to be advanced by fusion, as a means of increasing their profit earning capacity, of adding to their strength, and reducing their expenditure.

However, the directors and chief executive officers