it was held only for the short space of the two weeks up to the end of the year. But it would be quite reasonable to expect an increase in profits from that source during the current year. The profits, as declared, amount to $1,797,976, exceeding those of last year by $159,317, exceeding 1904 by $188,768, and falling short of those for the year ended April, 1903, by some fifteen thousand dollars. The last named year was, as all bankers remember, an exceptional year, especially that part of it lying between 30th September and 30th April. The famous rich man's panic was then on in Wall Street, and call loan rates ruled there, for long stretches of time, at 20 and 30 p.c. and higher. Since then Wall Street has seen very high rates, but the periods during which they prevailed have been shorter, the rises more spasmodic. As the Bank of Montreal, in pursuing its policy of keeping a large outside reserve fund available for grave emergencies in Canada, has always had in the neighborhood of thirty millions out at call in New York and London, the matter of Wall Street call loan rates is one that materially influences its earnings.

With regard to its "Rest" the Bank of Montreal does not, like most of the other banks, make additions to it every year. Instead it follows the policy of allowing surplus profits to accumulate in the profit and loss account until there is a sum sufficient to permit of the transfer of a round million dollars. Thus, one million dollars was added to the "Rest" on 30th April, 1903; another million on 31st October the same year, out of premiums received on the new stock issue. Since the latter date no addition to the Rest has been made till the present time. It is supposed, in outside circles, that during this period current earnings have been rather heavily drawn upon to carry on extensive works on bank premises, chiefly in connection with the head office building. The bank has not, of late years, given any published information to the stockholders as to the amounts expended on premises. It is quite certain that the stockholders would appreciate it if, in the annual reports, a memo was inserted specifying the total amount deducted for this purpose from earnings during the year.

In comparing the balance sheet with that for a year ago the following principal changes are to be noted:

Liabilities.	1906.	1905.
Circulation	$12,036,097	$12,996,181
Deposits, free of interest	30,842,381	31,438,001
Deposits at interest	99,059,071	87,725,211

Assets.	1906.	1905.
Specie and legals	$11,607,118	$12,311,133
Due by banks and agents Great Britain	3,027,769	2,293,384
Due by banks and agents foreign countries	5,597,768	3,745,653
Call loans, Great Britain and U. S.	29,784,242	37,961,908
Railway and other bonds	8,999,866	7,849,2[illegible]7
Currant loans	101,814,453	88,591,794
Total assets	168,001,173	158,232,409

Until the regular monthly bank statement for 31st October, is published at Ottawa, it will not be possible to estimate how much business the Bank of Montreal gained from the Ontario Bank. The difference in the headings of the statement now issued to stockholders and the statement to Government prevents a satisfactory comparison being made between the statements for 30th September, and 31st October this year.

TWO CURRENCY CRITICS.

In one respect at least—that of paper currency—Canada's banking system appears in the main to have met all demands upon it. Its elasticity has adapted itself alike to the rapidly fluctuating changes of business seasons, and to the permanent growth of the country's monetary requirements.

The widespread publication of Mr. Geo. M. Coffin's monograph on "The Paper Currency of Leading Countries" has done much to direct the attention of United States bankers and monetary students to Canada's bank note system. As former Deputy Comptroller of the Currency, Mr. Coffin had full opportunity to learn at first hand of the stagnating effects of hard-and-fast currency limitations. His argument for reform is based largely upon the fact, that in Canada, Scotland, or Germany, interest rates fluctuate but slightly throughout the country—a state of affairs contrasting widely with conditions in his own land. It will be remembered that during one week in September of this year, the banks of New York city lost over $16,000,000 in cash reserves withdrawn for moving the crops, despite call money rates that ranged from 20 p.c. to 40 p.c.,—as against 6 p.c., elsewhere in the United States and Canada. Towards making good this loss, the banks would have been entirely powerless had not special and much-needed assistance from the United States treasury been forthcoming. Mr. Coffin ably argues that "sensible and scientific reform" could secure a currency system that would bring to the United States similar benefits to those enjoyed by Canada—a consummation which he considers as "most devoutly to be wished by every banker, broker, merchant, farmer and manufacturer."

To anyone conversant with Mr. Coffin's clear-cut arguments, and with the views held by leading bankers throughout the United States, it is somewhat amusing to read the remarks of a recent correspondent to the Toronto "Globe," who endeavors to show that Canadian banking and Currency methods are *in toto* inferior to those of our cousins across the line. This correspondent dismisses the opinions of such monetary experts as those referred to by saying: "We occasionally read of some isolated American banker admiring and sighing for our laws. Such cases when they