

# BANK OF MONTREAL

Established 1817

Capital Paid Up	- - - - -	\$ 16,000,000.00
Reserve Fund	- - - - -	16,000,000.00
Undivided Profits	- - - - -	1,293,952.00
Total Assets	- - - - -	302,980,554.00

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Bankers in Canada and London, England, for the Government of the Dominion of Canada.  
 Branches established throughout Canada and Newfoundland; also in London, England, New York, Chicago, and Spokane.

Savings Department at all Canadian Branches. Deposits from \$1. upwards received and interest allowed at current rates.

A GENERAL BANKING BUSINESS TRANSACTED

## Banking in Belgium

### The Actual Situation of the National Bank of Belgium

(From a Correspondent).

The National Bank of Belgium, which, in times of peace, acts as cashier for the Belgian State government and whose activity is one of the bases of the country's commercial life, has been able to continue its operations, under the occupation regime, only as a purely commercial bank. The Germans could not have suppressed it entirely without occasioning an economical catastrophe the effects of which would have affected their own interests.

What did above all exasperate the German government, was the fact that the National Bank had transferred to London, before the occupation of Brussels, its metallic reserve and its bills and acceptances on foreign exchange, which taken together constituted the security of its note-circulation.

This precaution was, however, only elementary prudence, as the German troops, on entering Hasselt, in the beginning of August, 1914, had, in defiance of the immunity of private property, seized upon the large metallic reserve of the local branch of the National Bank. Their pretext had been that the National Bank was an integral organ of the Belgian State government, whereas the German government did not ignore that it is, in fact, a private institution giving the State its reserve services in consideration of the granting of certain privileges duly stipulated by statute, such as the mission of exchangeable bank-notes.

Besides, all the individuals interested in the National Bank's situation, have commended the directors of that institution upon their intelligent act of cautiousness.

To punish the National Bank for this offence, the German Government took away from it the privilege of issuing bank-notes and revived a similar privilege formerly enjoyed by the Société Générale of Belgium.

What has been since then the result of the National Bank's reduced activity?

The general meeting recently held in Brussels gives us information on this point.

According to Het Vaterland, a Dutch newspaper, the report submitted to the meeting states that, on account of the state of war, it has been impossible for the Bank to maintain its relations with all its foreign correspondents. The duration of the war and the events which will take place after the conclusion of peace must have a large influence upon the ordinary business. It was for such reasons that no balance-sheet had been drawn up for last year.

From the data furnished of receipts and expenditure it appears that the note circulation has decreased by 300 millions. Per contra, on December 31, 1915, the Société Générale had issued for more

than 600 millions of its own notes, which puts the total currency circulation, on December 31, 1915, at 1,614 millions.

While the moratorium was in existence, the Bank succeeded in decreasing notably its bill-case of exchange: from December 10, 1914, to end of December, 1915, it was reduced from 900 to 468 millions.

The decision, taken in accord with the other banks, to reduce the moratorium rate by 2 per cent on all exchanges withdrawn before March 15, 1915, has produced a diminution of 200 millions on its bills and acceptances.

Advances on vouchers have also decreased. By order of the German governor general, the removal of the moratorium for bills was set for March 1st, 1916. The Bank will allow liberal facilities to all its solvent debtors. The provincial food committees have a preferential benefit from the new credits.

Throughout the country, the National Bank has established relief funds to support the small capitalists and the trades-people. Finally, the National Bank has offered to advance the other banks 80 per cent of the sums the said banks might have accepted in the sundry war contributions imposed upon the country in November, 1915.

It may therefore be seen that, in spite of the state of war, the principal financial organism of Belgium has maintained its solidity and has rendered great services to the country.

(The figures in the foregoing refer to francs).

Mr. W. J. McMurtry, managing director of the National Life Insurance Company, is resigning that position June 1st. He will still act in an advisory capacity.

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# Molsons BANK

Incorporated - - 1855

Paid-up Capital	: : :	\$4,000,000
Reserve Fund	: : :	\$4,000,000

HEAD OFFICE : MONTREAL

96 Branches  
Throughout  
Canada

## THE COST OF WAR.

An analysis of the cost of the present European conflict, the war loans and Government indebtedness of Europe in their relation to the world at large, has been made by the Mechanics and Metals National Bank of New York City. The figures presented are almost staggering. If the war is still raging on the second anniversary of the outbreak of hostilities, it is shown, the total military expenditure will have been \$45,000,000,000. This does not allow for destruction of cities, railways, ships, factories, roads, agricultural values. The five principal powers engaged in the war will show the following debt charges:

	Aug. 1, 1916.	Aug. 1, 1914.
Great Britain . . . . .	\$14,500,000,000	\$3,500,000,000
France . . . . .	14,500,000,000	6,600,000,000
Russia . . . . .	15,000,000,000	4,600,000,000
Germany . . . . .	12,250,000,000	1,250,000,000
Austria-Hungary . . . . .	9,000,000,000	3,750,000,000
Total . . . . .	\$65,250,000,000	\$19,600,000,000

The Mechanics and Metals Bank statistician quotes a foreign authority showing that if the war should end at the close of its second year Great Britain will emerge from it with a debt four times the amount of which it entered. France will more than have doubled its debt. Russia's debt will more than have been trebled. Germany's debt will have increased ten-fold, Austria's three-fold.



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