

# Bank of Montreal

Established 1817

Capital Paid Up .....	\$16,000,000.00
Rest .....	16,000,000.00
Undivided Profits .....	1,252,864.00

## BOARD OF DIRECTORS

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SIR FREDERICK WILLIAMS-TAYLOR, LL.D.,  
General Manager

SIR FREDERICK WILLIAMS-TAYLOR, General Manager.

Bankers in Canada and London, England, for Dominion Government.

Branches established throughout Canada and Newfoundland; also in London, England; New York, Chicago, Spokane.

Savings Department at all Canadian Branches. Deposits of from \$1.00 upwards received, and interest allowed at current rates.

A general banking business transacted.

C. SWEENEY, Supt. of British Columbia Branches Vancouver.	W. H. HOGG, Manager, Vancouver Branch.
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# THE Merchants' Bank of Canada

ESTABLISHED 1864

HEAD OFFICE, MONTREAL

Paid-up Capital - -	\$7,000,000
Reserve Fund - -	\$7,248,134

President.....	Sir H. Montagu Allan
Vice-President .....	K. W. Blackwell
E. F. Hebden, General Manager	
T. E. Merrett, Superintendent and Chief Inspector	

211 Branches in Canada, extending from the Atlantic to the Pacific

Agents in Great Britain: The London Joint Stock Bank, Ltd.; The Royal Bank of Scotland  
New York Agency.....63 and 65 Wall Street

**General Banking Business Transacted**  
**Savings Departments at all Branches**

Deposits received of One Dollar and upwards, and interest allowed at 3 per cent. per annum.

**VANCOUVER, B. C.**

Granville and Pender Streets	G. S. HARRISON, Mgr.
Hastings and Carrall Streets	FRANK PIKE, Mgr.

It is probable, however, that comparatively little of the gain came from reduced circulation, and that resource may, therefore, be considered as practically untouched. It is only very recently that M. Ribot made his appeal to the French people, and gold is now pouring into the treasury in an astonishing quantity, according to reports, despite the fact that previously the French had shown a distinct tendency to hoard.

In contradiction to Germany's isolation, the Allies have had all their usual sources of gold open to draw upon so far as they were in a position to command the metal. They were at first able to tap the reservoirs of the United States for very large amounts, but the situation in that respect has been so much reversed that they have lost not only the great sums which went eastward across the Atlantic in the latter part of 1914, but many millions of their own stocks as well. All of the Allies have participated in the shipments to the United States, though what share has been contributed by each cannot be said. Also, so far as is known, the gold holdings of other neutral countries have not been depleted to any large extent since hostilities commenced. It would therefore seem that the gain of \$256,000,000 in Great Britain's visible supply of gold has come very largely from her colonies.

If the rate of production in the calendar year 1914 were applied to the twelve months under discussion, the total output would have been about \$45,000,000. But, as a matter of fact, the premium on gold has stimulated production in some districts, notably in South Africa, and it is altogether probable that the yield in the period was not less than \$460,000,000. Of this amount the industrial arts would normally consume about \$175,000,000. It seems very likely, however, the industrial consumption was considerably smaller than that. A point in evidence is the report of the New Jersey Bureau of Statistics, which shows that in the last full year of peace the jewelry manufacturers in that State operated at only a little over 60 per cent. of normal. Considering the reduced demand for such luxuries as jewelry, etc., and the habits of thrift which have been developed during the past year, as well as the great demand for gold for financial purposes, it is safe to assume that the industrial consumption was not more than 60 per cent. of normal.

Of the \$460,000,000 assumed to have been produced in the year, the output of the United States, amounting probably to something over \$90,000,000, may be deducted, and the remainder, after allowing for industrial consumption, must have been in the neighborhood of \$260,000,000. Curiously enough, this was just about equivalent to the gain in Great Britain's visible gold resources. It is by no means intended to suggest, however, that the whole of this production went to that country, but it seems certain that in view of the premium on gold there an unusually large proportion of it must have been so taken. Unfortunately, statistics showing the United Kingdom's imports and exports of gold are not available, and all that can be done, therefore, is to hazard a guess as to the sources of the gains she has made in the face of heavy shipments to the United States.

Returning to the question of how the Allies might be able to export to us \$500,000,000 of gold without seriously depleting their banking resources, it is apparent, then, that the larger part of it must come from the amount in circulation. The returns from Germany indicate that she was able to mobilize in the neighborhood of 40 per cent. of the gold in circulation, and if this ratio held true for the Allies, something over \$350,000,000 would be produced in that way, leaving a balance of \$150,000,000 to complete the fund. There would still be the possibility of enlisting the aid of the British colonies to some extent, but even if this failed it would not impoverish the three great banks of England, France and Russia to each subscribe \$50,000,000 to the fund. Nor are the possibilities of aid from Italy considered in this calculation, and she possibly would be called upon for a portion of the needed fund. Thus it appears that, if spread

(Continued on Page 10)