

THE BANK OF MONTREAL.

The statement of the Bank of Montreal for the half year ending April 30, 1910, marks another period in Canada's financial history, and the result of the six months' operations shows a continuance of the revival of trade which set in throughout the country something over a year ago. The half-year's profits, which as usual are shown after deduction for management and provision for bad and doubtful debts, were \$797,765.14, being some \$62,000 smaller than for the same period a year ago, but equal to something over 11 p.c. on the capital of \$14,400,000. Adding the amount brought forward from the October account gives a total of \$1,401,561.44, from which two quarterly dividends of 2½ p.c. were paid, taking up \$720,000, and the balance of \$681,561.44 was carried forward at the credit of profit and loss. The total assets have increased to \$234,438,318.99 a gain of \$26,500,000 over the same period of 1909.

Call rates on foreign or United States loans have ruled at low figures during the half year and the loans of this character are within \$700,000 of what they were a year ago, being \$79,957,585 as against \$80,658,497. The increase in current loans is marked and they are now \$103,000,000, or about \$21,000,000 greater than last year and practically where they were in April, 1908. Liquid assets are \$129,810,000 a further increase of \$4,600,000 over the big gain in this item in April a year ago. The item for bank premises still continues to be carried at \$600,000, and this amount embraces the asset value for the Head Office edifice at Montreal and the numerous branch buildings throughout Canada. The perusal of the statement should tend to make Canadians proud of having such a financial institution as the Bank of Montreal.

THE RECIPROCITY CRY ACROSS THE BORDER.

The sudden activity which characterises the movement in the United States, in favour of reciprocity with Canada, suggests that it must have had some encouragement from this side of the line. It does not necessarily follow that this encouragement has come from official, or even from very influential quarters. Certainly the feeling in favour of reciprocity, was never weaker in industrial circles in Canada, than it is to-day; and this notwithstanding the fact that the feeling of friendship towards the people of the United States was never stronger. In the last resort, the peoples on both sides of the line look upon the matter as a business question, which it is. *Les affaires sont les affaires.* Business is business. Years ago it might or might not have been good business, for Canada to discriminate in favour of the United States commercially, against all the world except

the Old Country. To-day such a discrimination would be; looking at the matter from a purely business point of view, suicidal. By rejecting our overtures the United States taught us a lesson; and if only in deference to our teachers we are bound to remember it. There is no resentment, and certainly no bitterness involved in this attitude. We only mention it as an explanation. Canada was forced to look for new markets, and found them. Having found them, she would be a fool to jeopardise them for the sake even of her nearest and dearest neighbour who forced her to hunt for them.

The meeting of the National Association of Manufacturers of the United States, held in New York on Monday gave a great opportunity for reciprocity talk. The report of the Committee on Interstate Commerce was a confession, a recantation, an apology, and a profession of commercial faith and friendship. It says:

"Politically, our attitude toward the Canadians has varied through the whole range from the most effusive professions of kinship to the most pronounced hostility. Now the remedy for that, if we care for a remedy, is in our hands. If, along with a large and—we believe—growing number of our citizens, we heartily favor a more liberal policy and a more courteous attitude toward our neighbors across the border, because we thus advance our interests as much as theirs, there are several things that can be done in pursuance of such a policy. In the first place, we must bother our heads no more with that oft-repeated but wretched fallacy that because our population is twelve times theirs, any reciprocal concessions such as free admission of field and forest products must be twelve times as advantageous to them as to us, and that we must be, therefore, doing a profoundly shrewd thing to refuse it. We might better argue that if their cheaper lumber and ores and grains are a benefit at all, they are twelve times the benefit to twelve times the number who have to purchase them; but after all, even this better argument is somewhat childish. It is enough to consider that our people would be helped rather than hurt by reciprocity to make it desirable for us, and that Canada finds a similar balance on the favourable side makes it similarly desirable for her. To the great majority on both sides of the line, reciprocity is unmixed good, obtained at no cost."

The new creed comes many years too late for acceptance in Canada. By this we do not mean to say that the relations between the two countries, cannot be and should not be improved. We could make many exchanges of products, upon better terms which would be of mutual advantage; and we could remove many vexatious restrictions from travel and commerce between the two countries. Canadians desire better trade relations with the United States, but not at the expense of sacrificing our trade relations established under pressure from the United States with other countries; and most certainly not at the cost of Imperial Preferential Trade.