THE BANK OF MONTREAL—*Continued*

notwithstanding heavy income tax, the substantial reserves we carry at that reserve point have been employed with profit to ourselves, also with advantage to the Empire, as the chief securities in which we deal, either by way of loan or purchase, are British Government securities.

It is not out of place to mention here that this Bank is among the important and appreciated lenders of short money in the London market, and though it is not for us to take praise for this, yet the fact is not to be lost sight of when weighing Canada's assistance to the Empire in this war.

In this connection I may say that as a borrowing centre London remains closed to the Dominions except for such loans as our Government effect from the Imperial Government for war purposes. On the other hand, some of our Provincial Governments and several municipalities have re-purchased largely their outstanding long-dated London loans and refunded them in New York, thus helping the sterling exchange situation. The obligant also has profited through reduction in capital debt.

The help that can in this way be rendered to Great Britain in maintaining the value of the pound sterling is in itself sufficient reason why all our public bodies with loans afloat in London should give this matter their loyal and early attention.

UNITED STATES.

With the exception of one brief season, both call and time money in New York have remained abundant and therefore cheap.

The call rate averaged 2.30 per cent. throughout the year, as compared with 2.39 per cent. the preceding year. It will be obvious to you that it is not very profitable to lend money at such rates, but our policy remains unchanged of carrying important reserves in New York, no matter what the earning power may be.

During the Bank's year, Canada borrowed in New York by way of public loans $153,000,000. This sum includes the Dominion Government loan of $75,000,000, borrowed naturally on terms dictated by the lender, terms that should have been better but might have been worse had our credit not stood so high. Of the latter sum $25,000,000 was for refunding purposes.

In the previous year Canada borrowed in New York about $142,000,000 and in 1914, $25,000,000.

The interest on Canada's indebtedness abroad—mainly to Great Britain and the United States—now amounts to about $175,000,000 a year.

It is worthy of special mention that since August, 1914, New York has loaned no less than $2,000,000,000 to foreign countries, thus establishing itself in an important position among the great loaning centres of the world.

PROFITS.

As for our Profits during the past year, I have little to add beyond what I have mentioned already, except to say that as usual the profits shown are actual net earnings, after making full allowance for doubtful debts and for the annual losses that seem inseparable from the business of banking.

DEPOSITS.

Our own total deposits have increased $63,000,000 during the year and are $102,000,000 greater than in 1914, the figures being:—

31st October, 1914	$197,200,000
31st October, 1915	$236,000,000
31st October, 1916	$299,200,000

The increase in our savings deposits has been satisfactory.

QUICK ASSETS.

The ratio of our quick assets to liabilities has increased to 75 per cent. from 64 per cent. a year ago and 55 per cent. the preceding year. This increased percentage is sound and wise in our opinion, owing to the fact that we carry large deposits of a special character.

BANK'S RECORD IN OVERSEAS SERVICE.

Sir Frederick Williams-Taylor, in concluding, referred to the number of the staff of the Bank that had enlisted for overseas service, saying:—

"As for the Bank of Montreal Contingent with the Colors, I have no words sufficiently eloquent wherewith to fully express our pride in their achievements, our grief in their losses. Forty-eight per cent. of our total male staff, or 67 per cent. of those of military age, have enlisted, 51 of our best have been killed, and 107 are wounded, missing or prisoners of war. Several of our men have been decorated by the King for conspicuous valour, and the whole Contingent is illustrious."

ELECTION OF DIRECTORS AND OFFICERS.

The vacancies on the Board of Directors were filled by the appointment of Captain Herbert Molson of Montreal, and Mr. Harold Kennedy, of Quebec, the new Board of Directors being as follows:—

D. Forbes Angus, R. B. Angus, A. Baumgarten, H. R. Drummond, C. B. Gordon, E. B. Greenshields, C. R. Hosmer, Harold Kennedy, Sir William Macdonald, Hon Robt. Mackay, Wm. McMaster, Sir Vincent Meredith, Bart., Capt. Herbert Molson and Lord Shaughnessy, K.C.V.O.

The meeting then terminated.

At a subsequent meeting of the Directors, Sir Vincent Meredith, Bart., was re-elected President, and Mr. C. B. Gordon was elected to the office of Vice-President.

BRITISH FIRE COMPANIES' RECORD.

Statistics compiled by the Manchester Policyholder of the 1915 results of business of sixty-eight British fire insurance companies show a premium income of £30,222,002 and an underwriting surplus after payment of losses and expenses of £3,848,118, equal to 12.7 per cent. This compares with a surplus of 5.6 per cent. in 1914. The tariff offices show a combined loss ratio of 50.1 per cent. and an expense ratio of 37.0 per cent. while the non-tariff companies' loss ratio is 51.9 per cent., and expense ratio 37.2 per cent. This, remarks the Policyholder, looks as though the non-tariff companies surviving the struggle of the last ten years are putting their business on a sounder footing. But although this may be generally true, further retirements from this group are extremely probable. The 1915 premium income of the tariff companies was £28,783,042, and of the non-tariff companies, £1,438,960.

REASONS FOR UNNECESSARY FIRES.

An official of two Boston mutual fire companies organised with the chief object of insuring Jewish property, says that 90 per cent. of all the fires that have come under his observation have been of a suspicious nature. He attributes them to business difficulties, typical sociability, religious customs and strict clannishness. "Typical sociability" is explained as the relation of exploits of a dollar-catching character to others of the same race. The greatest number of fires occur, according to this observer, in the two months prior to Passover, this method being used to raise holiday funds. An arson investigation in Boston lately has resulted in some fifty arrests of Hebrews and Italians.

The Royal Arcanum is putting its higher rates in force and is simultaneously having the experience of membership losses, customary with fraternals engaged in getting themselves on their feet.