

## ASSETS.

Gold and silver coin current	\$ 5,089,152 30
Government demand notes	7,221,980 75
Deposits with Dominion Government required by Act of Parliament for security of general bank note circulation	507,000 00
Due by agencies of this bank and other banks in Great Britain	\$3,745,053 32
Due by agencies of this bank and other banks in foreign countries	2,293,384 18
Call and short loans in Great Britain and United States	37,961,908 00
Dominion and Provincial Government securities	44,000,945 50
Railway and other bonds, debentures and stocks	432,244 56
Notes and cheques of other banks	7,849,207 04
	3,532,500 32
Bank premises at Montreal and branches	\$ 08,633,030 53
Current loans and discounts in Canada and elsewhere (rebate interest reserved) and other assets	600,000 00
	\$88,591,793 90
Debts secured by mortgage or otherwise	280,340 03
Overdue debts not specially secured (loss provided for)	118,245 05
	88,999,378 98
	\$158,232,409 51

E. S. CLOUSTON,  
General Manager.

Bank of Montreal,  
Montreal, 31st October, 1905.

## The General Manager.—Continued.

The results have been highly satisfactory, particularly when viewed in the light of what has followed former failures of Canadian banks. The winding up of the defunct bank has been conducted with remarkable expedition and economy, and the rights and interests of the creditors so well protected that the liquidator has been able, in nine months, to pay all of their claims, with interest added thereto. That no loss to the depositors and other creditors of the Bank of Yarmouth has resulted from this failure is, it must be admitted, largely due to the prompt and creditable recognition by its unfortunate shareholders of their liability for the utter insufficiency of assets to pay the debts of the bank in question.

An interesting event in financial circles was the offering here of a portion of the Japanese loan, the first time in the history of Canada of any foreign loan being issued locally, and considering the short time at our disposal, the success was surprising.

In conclusion, I may say that the one word written large in the records of Canada this year is "Prosperity." Railways, manufacturing industries, merchants, farmers, all are prosperous. Immigration grows steadily; labor has full employment, and is well remunerated. Probably never before have we had a twelvemonth of such universal prosperity, and it is during a year like this that everyone should set his house in order. Collections should be pressed, and manufacturers should husband their resources and strengthen themselves in every way; for they are to a great extent prosperous by the grace of their neighbors, and when adversity comes to

other countries, the American bargain counter will be opened in Canada, and our manufacturers and their employees will surely suffer.

## Vice-President's Remarks.

The vice-president, in moving the adoption of the directors' report, said: The position of the bank is fully exhibited in the statements laid before you and the remarks of the general manager. Following, however, the practice of many years' standing, I venture to offer a few observations.

The remark has been made before, and is now repeated, that the profits of banking, and consequently the cost to the public of the use of money, are steadily decreasing. This is due mainly, I think, to the accumulation of wealth in the country, the consequent increase in the number of banking companies and of their capital, and the resulting keenness of competition. Proof of this is to be found in the following figures:

1st. As to the accumulation of wealth. The deposits in all the chartered banks in the Dominion, in 1870, were 49 millions of dollars, in round figures, omitting fractions of a million; in 1880, were 85 millions; in 1890, were 136 millions; in 1900, were 305 millions; in 1904, were 470 millions.

The Dominion Government Savings Bank held in the same year (1904), nearly 62 millions, making bank and Government deposits 532 millions.

2nd. As regards banking facilities. Five new banks have gone into operation since 1900, with an authorized capital of \$9,000,000. Five have been absorbed into other banks, but their capital presumably remains, under other

control, and one bank, referred to by the general manager, with a capital of \$300,000, has failed. It may also be mentioned that charters have been obtained from Parliament during the last three years of eleven new banks, with a capital of \$19,000,000.

As regards our own bank, it has been the care of the directors to advance with the times, and I give you a few figures to show the progress which it has made.

In 1863 the capital was \$6,000,000; assets, \$15,252,000.

In 1873, the capital was \$11,296,831; assets, \$34,252,000.

In 1879, the capital was \$11,999,000; assets, \$36,221,000.

In 1887, the capital was \$12,000,000; assets, \$42,000,000.

In 1890, the capital was \$12,000,000; assets, \$46,166,000.

In 1905, the capital was \$14,400,000; assets, \$158,470,000.

Our branches, which in 1863 numbered 29, are now 100.

## General Trade of the Country.

A review in detail of the various trade and manufacturing industries may be summed up in the general report of almost unbroken prosperity. Probably never in Canada and the United States have crops of all kinds been better in quantity and quality.

In regard to one of our staple industries, the lumber trade, I am tempted to express the conviction that we are using up our resources in a most reckless fashion, certain to end disastrously, unless we take prompt steps to treat it as other crops, and replant on an adequate scale.

The increase of manufactories, thereby creating a home market for produce of every kind, is most marked. In this city and neighborhood a great number of large factories are springing up, and whatever may be said of our tariff, it unquestionably has had the effect of inducing the manufacture in this country of goods previously imported, with all the advantages of increased employment and circulation of money in this country. A number of these manufactories are branches, or offshoots, of industrial organizations in the United States.

The value of the home market is not sufficiently appreciated if the statistics published by a recent writer be true, that "Western Canada produced two and half times as much oats and thirty-four times as much barley as Canada exported."

The failures in Canada are considerably smaller this year than last, being: 1904, \$11,189,223; 1905, \$9,511,472.

The feature of the year, however, is the splendid crop which has just been harvested in the North-West Provinces and in Ontario. As regards the former, the most sanguine anticipations have realized, and it seems beyond doubt that the following estimates of this season's crop in Manitoba and the North-Western Provinces are conservative:

Wheat, 90 million bushels, worth on the spot, say, 65c.; oats, 65 million

bushels, worth on the spot, say, 35c. In all

Of course will be doubt will potatoes a bushels—a take no ac

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