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THE BANK OF MONTREAL'S STATEMENT.

The semi-annual statements published by the Bank of Montreal are something more than the mere periodical balance sheets of a financial institution. They have long since acquired the peculiar importance attaching to a leading organisation, whose condition is in some respects an indication of conditions generally in the Dominion. It is from this point of view that a singular interest attaches at the present time to the new half-yearly statement of the Bank of Montreal. Abroad there has lately been much discussion in regard to the alleged strained condition of affairs in Canada. People whose acquaintance with us is only partial have been astounded at our development, and possibly because they have not seen a similar thing before, have concluded that we were going too fast. To them have joined a number of professional calamity howlers, whose only qualification for the making of a whole series of rash, wild and foolish statements was their entire lack of knowledge either of the Dominion itself or of its real circumstances.

To the people who have been made unnecessarily nervous by this sort of thing, the semi-annual report of the Bank of Montreal should convey the assurance that things are not so black in Canada as the efforts abroad of the gentlemen named would indicate, and that, in fact, there is no need to get nervous. For the report shows that the Bank of Montreal, an institution which takes a foremost part in the task of safeguarding the credit of the Dominion, is in a position of great strength to meet any emergency that may suddenly arise, whether that emergency arise outside the Dominion or within it. It is evident, indeed, that through many months during which the path of the banker has been bestrewn with difficulties of a world-wide character, the Bank of Montreal has been conducted with such care and skill that while the legitimate demands of home borrowers have been duly met, a position of instant readiness for any untoward development has been successfully maintained.

The position of the Bank of Montreal at April 30 was briefly this:—The Bank then held assets immediately available to an amount of \$120,512,081, a proportion of 54.54 per cent. to its liabilities to the public, which at the same date were \$220,981,800.

Of this amount of immediately available assets, \$22,261,855 or 18½ per cent. consisted of gold and silver coin, and Government demand notes—the latter being practically gold certificates. Then \$63,880,672 or 53 per cent. comprised call and short loans in the New York and London markets—employed there, it may be noted once again, primarily for the purposes of the reserve, and earning considerably less as a general rule than funds employed in Canada, which are not available as part of the reserve. The remaining proportion of the immediately available assets, 28½ per cent., mainly comprises balances due by banks abroad, and holdings of securities. The position indicated has been maintained by the Bank in spite of the fact that the demands of municipalities, commercial houses, industrial enterprises and other borrowers for accommodation have absorbed some \$14,000,000 more than a year ago—\$129,457,933 instead of \$115,157,030. These facts should make it clear to those outside the Dominion that those who in the Bank of Montreal and elsewhere have the guidance of the country's financial affairs, are keeping a firm hand upon the reins and are not allowing themselves to be run away with by the speculative energy of a young and ambitious people.

The newly-issued statement is not without signs that last month, the resources of the Bank were considerably augmented by new capital from abroad—the enlarged foreign bank balances in comparison with those of the end of March would seem particularly to indicate this. This would, of course, be in part accounted for by the recent public issues on behalf of Canadian municipalities and others in the London market, but no doubt also private transactions by which capital is sent from England and other countries are represented in these figures. It is quite possible, it would seem, to overlook the importance of this business of a private character. Transactions involving large amounts are frequently made without the facts being blazoned forth in the newspapers, and while it is practically an impossibility to calculate its amount with any near approach to accuracy, it would seem likely from indications which appear from time to time that the amount of capital which comes to Canada in this way through the machinery of the London branches of the banks is larger than is commonly supposed. The position of strength and readiness for emergencies now shown by the Bank of Montreal should encourage these transactions.