

in the case of industrial securities, will generally furnish some indication of values.

It is always a matter of difficulty to put a stop to the activities of the over sanguine promoter and, possibly, the most efficacious method in which it can be done, is, as Mr. Angus suggested, a little reflection by those to whom undesirable Canadian securities are offered. It is certain that if there were no response to offerings of this kind, there would be a rapid reduction in their number. No doubt need be entertained of this country's continued and rapid growth in wealth and population, as Mr. Angus said, but it is well to have the point driven home so authoritatively that only harm can result from the operations of over-sanguine promoters and from inflated values, such as have been lately caused by excessive speculation, in some districts, in town and village properties.

This last point was emphasised by Sir Edward Clouston, who confined himself mainly, however, to an explanation of the Bank's position and operations, with an incidental interesting reference to the question of the renewal of the Bank Act, a matter upon which, as President of the Canadian Bankers' Association, he is particularly qualified to speak. "The Act," said Sir Edward, "is a very good one as it stands, is thought well of by financial authorities in other countries and answers admirably the requirements of our own." Sir Edward thinks it hardly likely, although the Bankers' Association has not yet been taken into the confidence of the Government, that there will be any great change. It is satisfactory to have this view expressed, by so high an authority. As the speaker pointed out, where there has been trouble, it has not been the fault of the Act, but the failure of those who work under it. "No amount of legislation," said Sir Edward, "will guard against the fallibility of the personal factor and keep men from being fools or knaves." Certainly, nothing which has occurred since the last revision of the Bank Act calls for or would justify the radical innovations formulated in a Bill, which has been presented by a private member in the House of Commons and is referred to in another column—innovations, which in our view, are altogether undesirable. The country generally, however, we believe, is well satisfied with the Bank Act as it stands at present, and, in the circumstances, we do not imagine that innovations of the kind referred to, will be seriously pressed by responsible people.

The Bank's principal figures in comparison with those of the two preceding years, are as follows:—

	1910.	1909.	1908.
	\$	\$	\$
Capital Stock	14,400,000	14,400,000	14,400,000
Res.	12,000,000	12,000,000	12,000,000
Circulation	14,592,591	13,245,289	12,417,132

Deposits (not bearing interest)	43,425,978	51,401,226	38,766,918
Deposits (bearing interest)	154,117,878	128,445,206	105,192,365
Total Liabilities to Public	212,168,685	193,216,370	156,488,728
Specie and Legals	21,798,760	19,042,850	14,710,975
Call Loans Abroad	61,918,750	77,212,382	40,689,956
Bank Balances Abroad	17,214,648	16,145,331	19,290,855
Total of Quick Assets	126,764,806	128,582,244	87,846,236
Total Assets	289,892,330	220,582,747	183,469,160

The general statement, as Sir Edward pointed out, is a strong one and exhibits the steady progress, which is being made by the Bank. For the first time in the Bank's history, circulation exceeds paid-up capital, and the Bank has been obliged to make use of the emergency circulation authorized by the Government. Deposits increased by \$18,000,000, but as last year there were some large special deposits which were withdrawn during the year under review, the figures do not fairly show the actual increase in the Bank's regular deposits. Readily realisable assets are about the same as last year, although they show a slight decrease in percentage to liabilities, and with regard to this matter Sir Edward pointed out, that the important position of the Bank of Montreal in the financial fabric involves keeping a large portion of the assets in a form immediately convertible into cash. In consequence, the Bank has to be content with a very low return on the money lent on call—a return which for long periods during the past year in London and New York was little better than 2 p.c. An increase of \$21,000,000 in loans and advances shows that coincidentally with the increase of its responsibilities in the direction mentioned the Bank is doing its share in assisting the development of the country. The profits at \$1,797,992, show a slight falling off from 1908—the Bank incurred a loss in Mexico—but after the payment of the usual 10 p.c. dividend the carry forward is increased from \$603,796 to \$961,789.

An interesting, though minor point mentioned in the course of discussion, is that the value of the Bank's buildings, taken into the balance sheet as \$600,000 is between \$7,000,000 and \$8,000,000. In declining to burden assets with any large item that cannot be promptly converted into cash, the Bank is following the example of the best models, and the action of the directors, in charging against revenue the entire expenditure, connected with building and maintenance of premises, will, we have no doubt, be approved by the great majority of shareholders, who appreciate conservative finance and are aware of the Bank's immense responsibilities.

THE HOME INSURANCE COMPANY OF NEW YORK, represented in Montreal by the well-known firm of Evans & Johnson, St. Sacrament Street, has been licensed to transact in Canada the business of automobile insurance in addition to fire insurance and tornado insurance for which it is already licensed. American Lloyds has also been licensed to transact fire and sprinkler leakage insurance. The chief agency of the Association in Canada will be at Montreal and Mr. W. A. Ralston has been appointed chief agent.