

BANK OF MONTREAL

Established 1817

Capital Paid Up	- - - - -	\$ 16,000,000.00
Reserve Fund	- - - - -	16,000,000.00
Undivided Profits	- - - - -	1,321,193.00
Total Assets	- - - - -	390,421,701.00

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Head Office, MONTREAL

General Manager, SIR FREDERICK WILLIAMS-TAYLOR, LL.D.

Assistant General Manager, A. D. BRAITHWAITE, Esq.

Bankers in Canada and London, England, for the Government of the Dominion of Canada.

Branches established throughout Canada and Newfoundland; also in London, England, New York, Chicago, and Spokane.

Savings Department at all Canadian Branches. Deposits from \$1. upwards received and interest allowed at current rates.

A GENERAL BANKING BUSINESS TRANSACTED

BUILDING UP A CAPITAL SUPPLY.

(From Greenshields' Monthly Review.)

Thanks to munitions and still more to agricultural exports, our balance of trade, which makes the above operations possible, is growing tremendously and has now reached a point where the excess of exports for twelve months, ending May amounts to about \$302,000,000. Deducting from this an amount of \$180,000,000, which pays our various interest obligations on debts incurred in the past to other countries, there is a balance of \$122,000,000 to the good. As we have borrowed about \$300,000,000 from the United States since the war began, it is natural enough that the deposits, capital and reserve, of our chartered banks, the proportion of strictly liquid banking assets to outside liabilities, the holdings of

semi-liquid assets in the form of securities and the amount of funds generally available for safe investment are all at the highest levels in their history.

Considering this, it is surprising to find in the publication of an American statistical organization the discovery that Canada is suffering from a lack of capital. Canada has suffered from that complaint in the past and probably will again in the future. It is true that money rates in this country are not low, in spite of the apparent profusion of banking funds and that the country is ever in the foreign markets for more capital. It is hardly accurate, however, to state that Canada is suffering from lack of capital just now, first because we are getting large amounts of it from the United States and second because we are actually lending money to Great Britain.

The Banking Position.

	May.	April.	May, 1915.
Deposits, Capital and Reserve	\$1,590,637,000	\$1,568,409,000	\$1,363,193,000
Proportion Strictly Liquid Assets to Public Liabilities	37.2%	37.5%	35.2%

Against these evidences of our growing economic strength and enhanced financial position is our constantly increasing debt for war expenditure. The question of our government's indebtedness for war account has never been discussed at any great length here because we have considered the other effects of war far more important. A recent discussion by an American financial statistician from the standpoint of the foreign investor in Canadian bonds puts Canada highest among the nations at war in point of proportion of resources to debt. The statistics, while not acceptable as altogether final, are based on the older figures of Mulhall. The income of the Canadian people is put at \$1,829,000,000 or \$233 per capita, an amount second only to that of the United States among large nations. This is over double the national debt, including war costs to date.

In the last analysis the measure of a country's ability to support a debt is the national wealth and the income of the people. If our national income is double the Government's debt there remains, after due consideration of provincial and municipal and other indebtedness, a wide margin of debt-bearing capacity. The cost of this war in men is the cost which will levy the greatest burden on this country's future. There will be no crushing burden involved, we think, as to debt.

MORE SHELL ORDERS.

Authority for the placing of further shell orders in Canada, amounting to \$35,000,000, was received by the Imperial Munitions Board last week. The shells are to be mainly 6-inch and 9.2-inch.

THE MANUAL OF STATISTICS.

Public interest in all that concerns the securities market and the general financial situation has increased rather than diminished as a result of the great European war and the economic changes it creates. Accurate information regarding corporations in particular is more important and interesting than ever before. Moreover, the financial and economic changes due to the war have resulted in the appearance of a large number of new companies whose securities have, in many cases, become leading objects for investment and speculation. The essential facts and figures in the above connection are adequately presented in the 1916 edition of The Manual of Statistics, which is the thirty-eighth annual issue of that standard publication. It gives in one compact volume the essential facts relating to the organization, finances and position of all the leading railroad, industrial and utilities companies in the United States and Canada. The figures in reference to all such companies of any importance are presented in ample form, the volume also including statements of the new organizations which have an interest for the stock market and investing public. The 1,106 pages of this handsome and compact reference work present a greater fund of information for the use of investors and speculators than any other work of the kind. It also embodies sections covering government securities, mining stocks and the grain and cotton statistics. The arrangement of its contents is designed to facilitate quick reference to the desired information. The volume is one which investors and other markets of the country cannot afford to be without. It is published by The Manual of Statistics Company, 56 Pine Street, New York. Price, \$5.

GOLD.

It is figured by the London Statist that the gold held by the central banks of England, France, Russia and Italy now totals \$3,117,000,000, as against \$616,000,000 in the Reichsbank (suspected also to include the Austrian bank reserve), or a ratio of over five to one. In this connection its following figures comparing present with pre-war status are interesting:

	Pre-war	Now	Pre-war	Now
England	£38,131	£89,800	128.4	56.9
Russia	174,509	303,360	106.8	47.5
France	165,654	190,630	61.9	30.1
Italy	48,456	39,657	70.0	32.9
Allies	426,750	623,427	80.6	40.2
Germany	67,843	123,259	71.8	37.1

If Australian notes are included in cover, the present Teuton percentage would be 20.

The other side of the shield can be seen here, with an increase in gold in circulation, in Treasury assets and in gold reserve, against Federal Reserve notes from \$1,993,000,000 a year ago to \$2,440,000,000 on July 1 of this year, a gain of \$450,000,000. In a year and a half the United States has added \$600,000,000 to her gold stock.

PERSONALS.

Mr. Robert Gill, former manager of the Ottawa branch of the Canadian Bank of Commerce, has been appointed a member of the Military Hospitals Commission, succeeding the late F. W. Avery, of Ottawa.

ESTABLISHED 1832

Paid-Up Capital
\$6,500,000



Reserve Fund
\$12,000,000

TOTAL ASSETS OVER \$100,000,000

The strong position of the Bank of Nova Scotia not only assures the safety of funds left on deposit with the Bank but also places it in a position where it can readily care for any legitimate business needs of its customers. We invite banking business of every description.

THE BANK OF NOVA SCOTIA