

BRITAIN PAYS ITS DEBT TO CANADA.

It is announced that an arrangement has been completed between the British Government and the Canadian Banks by which the indebtedness of the former of \$150,000,000 will be paid off within the next year and a half by monthly instalments. For the first six months, commencing November 1, which instalment has already been paid, the monthly payments will be \$5,000,000 each, and for the next year \$10,000,000 per month, thus wiping out the debt by May, 1922.

Canadian financial circles have learned of the arrangement with a good deal of satisfaction, and, while it would be easy to exaggerate the importance of the event, it is nevertheless considered gratifying, first, because it indicates that Great Britain is getting on its feet in payment of debts, and, secondly, because it means the advent of new money to Canada. Any new money coming in is a distinct help and will tend to reduce the inflation still existing in Canada. The money is to be paid in dollars in Canada, the question of exchange being, therefore, left to Britain to adjust, or to meet the payments in gold, as circumstances warrant.

PRICE ADJUSTMENT.

There has been of late a very great fall of prices, in newspaper headlines. The fall, in so far as the consumer's pocket is concerned, has been of a more modest, in fact a microscopical character. Yet there seems little doubt that we have passed the peak, and that we can look forward to a considerable if uneven scaling downward.

As yet the factors that have been forcing a reduction in prices have not been of a fundamental character. While there has been a gratifyingly good harvest on this continent, and some signs of greater output per man in industrial centres, the world has not yet gone far toward the general increase of output and still less toward the general deflation of currency, that can alone give a permanently lower price level. Transport difficulties, credit tightening, and particularly the revolt of the consumer have forced sacrifice sales, factory shut-downs, and a new-born readiness to shave terms. Food and clothing have shown the most marked declines. At the same time rents, freights, fuel, have been climbing, and it is clear that we shall see not a universal fall but a readjustment of prices in various industries and of prices and wages, in some cases upward and in some downward.

To the man on a salary or a fixed income, the halt will be doubly blessed. Doubtless he should have his innings, as the business man and farmer have had theirs. There are, however, important interests at stake which make it as desirable as it is probable that the decline will be gradual. A rapid fall would have a very unsteady influence on business and on the volume of employment. Nor would it be well to have a great fall before the vast war debts of the world have been cut down. One can easily imagine the agitation and the

political disturbance that would follow if taxpayers had to pay back dollars that had only been worth fifty cents when lent to the state.—Journal of Canadian Bankers' Association.

WHAT BANK STATEMENTS MEAN.

An explanation, in booklet form, of "What the Items of a Bank Statement Mean", has just been issued by the Guaranty Trust Company of New York. Following a brief discussion of the significance of the various items in the customary form of condensed bank statement, the booklet says in summary:

"Bank statements show the financial condition of the bank at any given date, but a comparison with previous statements is necessary to ascertain the progress that is being made. In addition to examining statements of his bank, however, a depositor should inquire into its administration, its management and the service that it renders. Sound policies, a broad vision of modern financial needs, efficient management and facilities for serving its depositors in their financial affairs are the foundations on which the strongest banks are built."

CANADIAN NATIONAL RAILWAYS. Montreal-Quebec Night Train Service.

Canadian National Railways new night train between Montreal and Quebec leaves Montreal (Bonaventure Station) 11.15 p.m. daily, arrives Quebec (Palais Station) 6.15 a.m. Returning leaves Quebec (Palais Station) 11.55 p.m. and arrives Montreal, (Bonaventure Station) 7.10 a.m.

Electric lighted sleeping cars are operated in each direction which may be occupied, at Quebec until 8.00 a.m. and at Montreal until 7.30 a.m.

For further particulars apply to Ticket Agents, Canadian National-Grand Trunk Railways.

BANK OF MONTREAL.

Notice is hereby given that a DIVIDEND of THREE Per Cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after WEDNESDAY, the FIRST DAY of DECEMBER next, to shareholders of record of 31st October 1920. Also a BONUS of TWO Per Cent. for the year ending 31st October, 1920.

By order of the Board,
FREDERICK WILLIAM TAYLOR,
General Manager.
Montreal, 19th October, 1920.

Business Founded 1795

American Bank Note Company

Incorporated by Act of the Parliament of Canada

Engravers and Printers

Bank Notes and Cheques
Corporation Bonds
Stock Certificates
Municipal Debentures
and other Monetary Documents.
Head Office and Works: Ottawa.

Branches:—

MONTREAL, Bank of Ottawa Bldg.
TORONTO, 19 Melinda Street.
WINNIPEG, Union Bank Bldg.



The Will to Save

Saving is a prosperity promoting habit and is easily acquired.

Every person can save if they WILL—all that is necessary is to make a start. Small accounts deposited regularly grow into a substantial reserve fund with astonishing rapidity.

Start today. Open a savings account with this Bank. Interest paid at current rates.

THE STANDARD BANK OF CANADA

Head Office :: TORONTO

MONTREAL BRANCH

E. C. GREEN, Manager,

136 St. James Street.

The Bond Between Bank and Farm



STIMULATION of agricultural pursuits is essential to the welfare of the Dominion. This Bank plays its part as a national institution by lending every effort and its vast resources to support agricultural activity to the utmost.

Those interested in any enterprise of the soil are invited to confer with our branch managers.

460

UNION BANK OF CANADA

THE MERCHANTS BANK

Head Office: Montreal. OF CANADA Established 1864.

Capital Paid-up	\$ 8,400,000
Reserve Funds	8,660,774
Total Deposits (Sept. 30th 1920)	over \$167,000,000
Total Assets (Sept. 30th 1920)	over \$205,000,000

President: Sir H. Montagu Allan, C.V.O.

Vice-President: A. J. Dawes.

General Manager: D. C. Macarow.

Supt. of Branches and Chief Inspector: T. E. Merrett.

General Supervisor, W. A. Meldrum

AN ALLIANCE FOR LIFE.

Many of the large Corporations and Business Houses who bank exclusively with this institution, have done so since their beginning.

Their banking connection is for life—yet the only bonds that bind them to this bank are the ties of service, progressiveness and sound advice.

399 BRANCHES IN CANADA EXTENDING FROM THE ATLANTIC TO THE PACIFIC.

