

**THE BANK OF MONTREAL—Continued.**

**MEXICO.**

Conditions in Mexico continue disturbed with business practically at a standstill and it is problematical when a more settled state of affairs may be expected.

The business of our office in Mexico City has been reduced to the lowest possible limit and is being ably conducted under exceptionally trying conditions.

**THE EFFECT UPON CANADA.**

Your President has adequately reviewed the general situation in a masterly manner that makes further remarks superfluous, but perhaps I may be permitted to say in summary of my own comments that from a financial point of view the outstanding result of the war upon Canada has been the instantaneous stoppage of the supply of British capital to which we had become so accustomed that sight was too frequently lost of its importance as a factor in the development of the Dominion.

Money from this source flowed to us in such increasing volume that during a considerable ante bellum period it amounted in round figures to at least \$25,000,000 per month. Canadian public borrowings from the London money market for the seven months ending 31st July were \$177,000,000. Since the outbreak of war the inflow of such capital has ceased.

This monetary deprivation, coupled with the necessity of using our earnings and income for the purpose of paying to Great Britain interest on our indebtedness of \$2,800,000,000 to London has brought home to us the extent to which the London money market and the British investor have been our friends, indeed our partners, in what might be termed this colossal Canadian enterprise.

**TRADE.**

The trade situation we are now facing is that, owing to our present inability to borrow by public process in the London market, we seemingly must limit our imports to the approximate volume we are able to pay for in exports, or we must borrow elsewhere; that is, in the natural assumption that we wish to avoid reducing our cash capital.

There is an alternative, for it will be obvious to the most uninitiated that if our good neighbors in the United States

desire us to purchase from them in anything approaching the volume of the past, they must, at least during the war, whilst the London market for public flotations is closed, provide us with the wherewithal in the shape of loans to our principal public borrowers. If they adopt this course, and a commencement has already been made, it will be clearly advantageous to them and to Canada.

**HOW CANADA IS STANDING THE STRAIN.**

In conclusion, the financial position of our country now is that, consequent upon the prompt measures adopted by our Minister of Finance, and, owing to the elasticity and excellence of our banking system, Canada is standing the strain without collapse. We are adjusting ourselves to the heavy burden thrust upon us without warning whilst in the constructional stage, and though here and there weak spots will develop, the general structure will surely stand the strain, and we hope and believe, we, as a country, can safeguard the situation.

It is obvious to everyone in the Dominion and to our friends abroad that we are cast upon our own resources, that we are on trial, and that our future development will depend in no small measure upon the condition in which we emerge from this trying ordeal. The longer the duration of the war, the more will the colonial props of the Empire, including Canada, suffer, but good will come out of evil, for our energies will be turned to the development of our great natural wealth, particularly our vast agricultural resources, and we can then look forward with confidence to eventually emerging from present conditions a wiser people with our affairs on a healthier, more normal and sounder basis than that with which we were threatened.

**ELECTION OF DIRECTORS.**

The result of the ballot for the election of Directors was declared by the Chairman as follows: Messrs. R. B. Angus, D. Forbes Angus, A. Baumgarten, Huntly R. Drummond, C. B. Gordon, E. B. Greenshields, C. R. Hosmer, Sir William C. Macdonald, Hon. Robert Mackay, Wm. McMaster, H. V. Meredith, D. Morrice, Sir Thomas Shaughnessy, K.C.V.O. The meeting then terminated.

At a subsequent meeting of the Directors, Mr. H. V. Meredith was re-elected President.

**THE NOVEMBER FIRE LOSS.**

The losses by fire in the United States and Canada during the month of November as compiled from the records of the New York Journal of Commerce aggregated \$21,372,750, as compared with \$15,207,600 charged against November last year, an increase of over six million dollars for the month. The losses for the eleven months of 1914 already reach a total of \$212,084,200, as against \$208,596,900 for the same months in 1913. The following table gives a comparison of the losses by months this year with those of the same months in 1913 and 1912, together with the monthly record for the balance of those years:

	1912.	1913.	1914.
January . . . . .	\$35,653,150	\$20,193,250	\$23,204,700
February . . . . .	28,601,650	22,084,600	21,744,200
March . . . . .	16,650,850	17,511,000	25,512,750
April . . . . .	16,349,400	16,738,250	17,700,800
May . . . . .	21,013,950	17,225,850	15,507,800
June . . . . .	16,103,450	24,942,700	29,348,000
July . . . . .	15,219,100	20,660,900	17,539,800
August . . . . .	14,158,800	21,180,700	11,765,650
September . . . . .	13,779,300	17,919,300	14,383,050
October . . . . .	13,651,650	14,932,750	14,004,700
November . . . . .	16,172,300	15,207,600	21,372,750
<b>Total 11 months . . . . .</b>	<b>\$207,335,600</b>	<b>\$208,596,900</b>	<b>\$212,084,200</b>
December . . . . .	17,967,000	16,126,450	.....
<b>Total for year . . . . .</b>	<b>\$225,302,600</b>	<b>\$224,723,350</b>	.....

During the month of November there was an unusually large number of serious fires, no less than 362 being reported as having caused property damage of \$10,000 or over in each instance.

The fire underwriters generally have had a very bad year and November appears to have involved risks that were heavily insured, so that the insurance companies have been caught to an expensive extent, says the Journal of Commerce. The prospect for December indicates another costly month and even without any conflagration in the remainder of 1914 it will be a conspicuously bad year.

Since the above was written the costly Edison fire at West Orange, N.J., has taken place with an estimated loss to the fire companies of \$2,000,000. The Edison buildings were alleged to be "fireproof."

**MUTUAL LIFE OF CANADA.**

The new Agents' Journal issued by the Mutual Life of Canada has an appropriate Christmas flavour about it. Inspiring messages to the staff are contributed by the general manager, secretary, actuary and others and as usual the general contents of the magazine are cheerful and instructive.

The new United States revenue stamp tax on fire insurance policies will be paid by the companies, pending the conduct of a friendly suit in States which have ruled against its collection from the assured. As the tax law expires by limitation December 1, 1915, and it will take about a year to get such a suit through the courts, it is not apparent that the companies will be able to save much if anything on this item of expense.