

THE BANK OF MONTREAL.

The statements issued by the Bank of Montreal are of absorbing interest, not only to the shareholders who are favored with copies of the same, but to Canadians all over the world. It is, therefore, right and proper that the condition of the Dominion's largest and leading bank should be widely circulated through the medium of the daily papers, and especially in the financial journals of the country. Shareholders study the annual balance sheets received by them for the purpose of ascertaining the profits of the year; but the large army of depositors, although, like the policyholders in a life assurance society, having the greatest financial interest in the progress of the institution entrusted with their savings, are, in the majority of cases, restricted for information to the figures as recorded in the papers. Therefore, we venture to assert that the banks are only performing a duty to the public in freely publishing a full account of the result of each year's business, and in making known to the people the liabilities and assets of institutions chartered by the Government to transact the business of the country.

We publish, in this issue, the general statement of the Bank of Montreal for the year terminated on the 30th ultimo. The work of the reviewer of its figures is made pleasant and easy by the evidence with which it bristles of ever-increasing strength and solidity. As an indication of the prosperity of Canada, the statement cannot but prove satisfactory, and, as a medium for assuring depositors that the millions of money lodged with the great Bank of Montreal are safely invested and almost immediately available, if at any time required, the latest statement of the great institution is indeed an excellent one. In all the features that combine to arouse the pardonable pride of a general manager and his chiefs of staff, and to instill confidence in its position and management among stockholders and depositors, the statement under review is remarkable.

Although it is difficult to conceive of any such conditions ever arising, if the holders of Bank of Montreal notes appeared in a body requiring the bank to redeem its entire circulation, the specie and Government paper in hand at the close of last month would have almost sufficed to satisfy the demand; and even the enormous amount of deposits shown in the statement (now exceeding forty-six millions of dollars) could have been returned to the owners within a very brief period.

But the statement not only stifles the slightest fear which any timid note-holder or depositor might in a season of panic exhibit. Upon careful and closer analysis of the figures presented, we find an almost equally satisfactory outlook for the stockholders, and one which fully accounts for the high market value placed upon its stock by the investor therein. The opinion of the latter is best illustrated by noting the present price of the stock, 251 per cent., an advance of 15 points since the corresponding date of last year.

However, it is in scrutiny of some of the items composing the 71 1-2 millions of assets that those most interested in the big bank will take pleasure, as affording conclusive proof of the very conservative policy pursued by the directorate and executive in their estimate of values. Those who know of the numerous splendid buildings erected all over the Dominion, as banking rooms and managerial residences by this truly national institution, must be surprised to note that these Bank Premises are shown in the statement at the low figure of \$600,000. If aught else were needed to make the balance sheet present a clean, clear and commendable appearance, it is to be found in its freedom from overdue debts, the amount thereof for a bank having current loans of forty-three millions of dollars being absolutely insignificant, and almost, when the number of branches is taken into consideration, reaching the vanishing point.

The profits for the year, after deducting all charges of management and providing for any leeway in the collection of doubtful debts, amounted to \$1,350,582.65. Adding thereto the balance of Profit and Loss account, carried forward from 1898, placed \$2,302,792.72 at the disposition of the directors. Of this amount, \$600,000 has already been paid to shareholders, and an equal sum will be distributed among them on the 1st of June, making a total of \$1,200,000, or ten per cent. as the dividend for the year. To complete this very favorable statement of a year's business, the balance of profit and loss now carried forward exceeds the figures of 1898 by \$150,000, the undivided profits being no less a sum than \$1,102,792.72.

Mr. Clouston, General Manager, when explaining the items of last year's statement to the shareholders present at the annual meeting, said: "*Generally speaking, business is good, and the outlook promising.*" The exact knowledge and ripe judgment of the banker has been confirmed by the expansion in the trade and commerce of the country since Mr. Clouston's pronouncement on the outlook of twelve months ago. The discounts of the Bank of Montreal have increased since April, 1898, by some 3 1-2 millions of dollars, presumably owing to the expansion of business and the demands of the bank's customers. The deposits bearing interest have, during the period covered by the statement, increased by no less an amount than seven millions of dollars, a fact, despite the division of opinion existing on this subject among politicians, surely indicating much prosperity throughout the wide Dominion. The greatest attention should always be given to the statements issued by the chartered banks of Canada. The country at large is interested in the publication of proofs of their prosperity, and when, at the approaching revision of the Bank Act, the records of our financial institutions are studied by the Government of the day, it is to be hoped the majority of them may be found to have flourished equally with the greatest under the present favorable banking law of the Dominion of Canada.