

The clearing house institutions at New York reported on Saturday a further large gain in reserve strength. Taking all members the loan expansion amounted to \$3,454,000, but the cash gain was \$12,307,000—the surplus reserve thus rising from \$10,551,000 to \$18,404,850, an increase of \$7,853,000. The banks by themselves had a loan expansion of \$5,646,000 and a cash gain of \$12,200,000 to report. Their increase of surplus amounted to \$7,391,250.

COUNTRY BANK AND TREASURY FUNDS.

The cash gains were in part the result of the importations of gold from Europe. They also serve as an indication that the movement of currency to the interior for crop moving is about to be reversed. In the course of a couple of weeks there will be an increasing flow of funds from interior points to New York. Some of the American newspapers are pointing out that the time is approaching in which the country banks favored by the Secretary of the Treasury with special deposits of government funds must commence to return the money. There is considerable speculation as to how that phase of the matter will develop. It will be remembered that Secretary McAdoo made a great point of excluding the New York banks from all benefits of the plan for distribution of public funds. In the recent past when large amounts of Government money have been deposited with New York banks for special purposes, they have responded promptly when the demand for repayment was preferred. It will be interesting to see whether the Secretary gets his money back on the present occasion without trouble or delay.

MONTREAL LOAN'S SUCCESS.

Cables were received in Montreal yesterday notifying that the City of Montreal's new issue of £1,500,000 40-year 4½ per cent. sterling registered bonds at 98½ had been fully subscribed and the lists closed in advance.

This is welcome news which will probably have a good effect upon the sentiment of the street. However, it must be remembered that the loan was offered at a particularly taking figure—Montreal's last issue of 4½ per cent. a few months ago was at par—and that the inherent attractiveness of the terms upon which the loan was offered had probably much more to do with its success, than any circumstances of a general character. The success of this loan is indeed an exemplification of the well-known fact that however difficult the times may be, money can always be secured in the world's money-centre if the terms are made attractive enough. But unless borrowers are prepared to make favorable terms to lenders, under present circumstances success can hardly be hoped for. The investing public on the other side has at the present time a particularly large and varied assortment of issues from which to make its choice; and the wise borrower will act accordingly.

The present issue will net the city 95.05. It forms part of a loan of nearly \$12,000,000 authorized. The remainder is to be issued later on.

THE BANK OF MONTREAL'S YEAR

The report of the Bank of Montreal for the year ended October 31 last, issued in anticipation of the annual meeting on Monday, December 1st, is as usual of much interest. From the profit earning point of view, the premier Canadian bank had a satisfactory experience during the year while the balance sheet shows that an admirably strong position has been maintained through a period of stress.

RECORD PROFITS.

The declared profits for the year are \$2,648,403, a new high figure and equal to 16.56 per cent. upon the paid-up capital stock. This year's profits show an advance of some \$130,000 upon those of last year, when they were \$2,518,400. The balance brought forward from the previous year was \$802,815, making the total available on profit and loss account \$3,451,218. Of this amount the annual dividend of 10 per cent. plus the bonus of 2 per cent. absorbs \$1,920,000; and \$485,000 is set aside as provision for bank premises, leaving an increased profit and loss balance of \$1,046,218 to be carried forward. In connection with the expenditure on bank premises it may be noted that this year's figure of \$485,000 compares with \$511,000 in the previous year and \$708,000 in the year 1911.

A STRONG POSITION.

Following is a comparison of the leading items of the bank's balance sheet for the last three years:—

	1913.	1912.	1911.
	\$	\$	\$
Capital Stock	16,000,000	16,000,000	14,887,570
Rest	16,000,000	16,000,000	15,000,000
Circulation	17,961,865	16,131,862	15,914,654
Deposits (not bearing interest)	45,134,957	45,338,955	46,187,555
Deposits (bearing interest)	144,437,882	141,970,011	135,538,261
Total Liabilities to			
Public	208,656,751	203,563,201	197,816,157
Specie and Legals	22,164,800	19,311,986	19,344,656
Central Gold Reserve	1,000,000		
Call Loans Abroad	51,240,795	55,158,633	42,602,772
Bank Balances Abroad	6,126,730	14,133,604	17,975,274
Total of Quick Assets	103,699,427	113,651,121	104,445,885
Current loans and discounts	134,163,473	118,869,751	121,053,066
Total Assets	244,787,045	236,927,519	229,920,420

While owing to the circumstances of the year, there is naturally a falling off in the actual amount of the Bank's quick assets in comparison with the previous year, yet the position maintained in this respect is a strong one. Quick assets at \$103,699,427 are in the proportion of 49.70 per cent. to the liabilities to the public of \$208,656,751. In regard to cash the position has actually been improved during the past year, an addition of \$2,850,000 having been made to the holdings of specie and legals during the year, thus increasing their proportion to liabilities to the public from 9.49 to 10.62.

HEAVY INCREASE IN CURRENT LOANS.

At October 31 last, the Bank had a circulation in