

THE MOLSONS BANK.

On a capital of \$2,000,000, the Molsons Bank made net profits last year of \$264,817, which is 13.24 per cent. This sum is \$43,123 in excess of the profits for the previous year,—a remarkable increase, considering under what unfavorable conditions banking has been conducted for a length of time. The dividend just paid we see is the 78th, showing this bank to have been in operation about 40 years, in which time it has accumulated a Reserve Fund of \$1,300,000. Since 1878 its shares have gone from 95 up to 108, that is, the market value of the stock has increased \$1,460,000,—a very pleasant advance for those who have held on to it since that date, as, we believe, the main body of the shareholders have done, having had that confidence in the management of Mr. Wolferstan Thomas, which has been so fully justified. In that year the bank held only \$3,005,791 of deposits, with discounts of \$4,996,618; to-day its deposits amount to \$9,051,408, and its current loans are \$10,605,331, which is a very rich reward for 16 years anxious devotion to the work of building up this institution. The Molsons Bank, however, is now well placed for making profits: its Rest is 65 per cent. of the Capital, so that alone, if it earned only 4 per cent., would contribute 2.60 per cent. of a dividend. Then its circulation runs very near to the legal limit, and its non interest-bearing deposits amount to \$1,695,484; those three items contribute a very substantial share of the profits, which are enhanced by the gains made on the use of \$7,355,923 in deposits paying interest. While then it is apparent whence the profits of the bank come from, they do not account for those profits being available for dividends; as it is one thing for a banker to *make* money, it is only by the almost diligence, sagacity and prudence he can ensure its retention by the avoidance of losses. Mr. Wolferstan Thomas may feel justly elated at his success in achieving this proof of good management, upon which he has our very warmest congratulations.

CANADIAN FINANCE AND CURRENCY BASIS.

The dependency of this Dominion upon the monetary resources of Great Britain, for the capital required for and utilized in the railways, canals, and other government works; for supplying municipalities with the requisite funds for their operations; for providing our building and loan societies with funds for their advances; for the active business of many of our business enterprises; and for any special needs that may arise for outside capital, makes the financial conditions and methods of Canada matters of extreme interest and moment to the capitalists of the Old Country. Some recent comments in a London financial organ show that considerable misapprehension exists still on matters of vital moment to the credit of Canada and of its financial institutions. With a view to clearing away some of the prejudices created by such misapprehension, we offer the following statements of facts, which can be verified by official and trustworthy evidence.

In regard to our system of banking and the general condition of our banks, it is a matter of pride to

every Canadian to afford the fullest information, as the more is known on these matters the greater will be the confidence felt in our system of banking being not only especially sound, but administered with admirable skill, sagacity, and prudence. Canada has 39 chartered banks, with branches in every town where the convenience is needed; so that banking facilities are afforded in the more remote districts by institutions of the greatest stability. By this system depositors everywhere have a place of security for their funds, the traders have a supply of note issues equal to their needs, and business men at every point are in touch with the great monetary centres. These 39 banks have a paid up capital of \$62,189,585. They are all under charter from the central government, which issues every month an elaborate statement, giving the details of their assets and liabilities classified under the head of the former in 21 divisions, and, under the latter, 10 divisions, by which a complete insight is given monthly to the public into the condition of each bank, and its changes from month to month. These returns bring each bank under close scrutiny periodically, and it is a matter of fact that the great body of the intelligent business men of Canada know more of the position of the banks than is known in some countries by the Directors. The advance made by Canadian banks in the last 22 years may be judged by the following synopsis for 1872 and 1894 of the returns for month of August:—

	1894.	1872.
Capital paid up.....	\$62,189,585	\$42,375,059
Circulation.....	30,270,366	25,040,106
Deposits by public.....	176,588,333	49,039,566
Trade discounts.....	199,908,340	104,913,478
Total Assets.....	308,085,624	131,725,539
Total Liabilities.....	220,942,480	86,855,941

The increased market value of the shares of Canadian banks in the last 30 years has been very great. We have before us the *Star*'s list of prices in this city dated March 24th, 1865, from which we quote the prices paid for several of our leading bank stocks, which we compare with those of to-day:—

	1865.	1894.
Bank of Montreal.....	108	225
Merchants' Bank.....	par	165
Molson's Bank.....	par	168
Bank of Toronto.....	par	251

The stocks of all our banks are to-day saleable for \$15,000,000 in excess of their quoted value in 1873.

In 1865 there was little or no money in Canada for investment; to-day any good security offering is at once snapped up. In less than 30 years the deposits in the banks of Canada have gone up by over \$130,000,000, an increase of over 350 per cent., while the population has only increased by less than 50 per cent.

The notes issued by the Canadian banks are restricted to the limit of the capital; they are a first charge on the assets; they have a special fund for their protection in the hands of the government; no case has been known of their not being paid at par, and no wonder, for the average amount held as redemption resources for the notes is \$10 per every \$1 issued. Canada has the most secure banking currency of any nation. The total of the Reserve Funds of the banks