

## BANK OF MONTREAL

The financial report of the Bank of Montreal for the year ending October 30th becomes available at a somewhat critical moment in the readjustment of financial and industrial conditions in Canada. The report reflects continued prosperity in Canada's premier institution and its publication will be found unusually welcome and reassuring.

The statement indicates that the Bank has been able to take care of an unusually large proportion of the increased requirements of the merchants and manufacturers of the country. The increase in the loan account during the year amounted to approximately \$60,000,000.

At the same time there has been a striking reduction in the accounts which reflect the special business which the Bank undertook during the war period on behalf of the Imperial and Dominion Governments. As a result, the holdings of Dominion and Provincial Government securities have been reduced to \$14,863,954, compared with \$63,984,255, at the end of the previous year. Canadian, Municipal securities and British, Foreign and Colonial Public securities, other than Canadian, have also declined, the total this year being \$36,749,430, against \$47,041,359.

Owing to the marked expansion of the business of the country, the Bank arranged during the year to increase its Capital and this now stands at \$22,000,000, a gain of \$2,000,000 for the year. A corresponding increase was also made in the Rest Account, and this now stands at the same figure as the Capital.

In addition, savings deposits continue to indicate a healthy gain and these now amount to \$322,578,613, a gain of approximately \$10,000,000 for the year.

### *Large Gain in Assets.*

As a result of these increases, the total assets of the Bank stand at \$560,150,812, up from \$545,304,809, at the end of the previous year.

The larger amount of capital which the Bank had at its disposal and the increase in the volume of business handled has resulted in a steady expansion in the earnings of the Bank. The net profits for the year amounted to \$1,033,995, compared with \$3,314,227 a year ago. These profits, added to the balance of Profit and Loss and to the premiums obtained on the new stock issued during the year made a total amount available for distribution of \$6,846,850. This amount was appropriated as follows:—

|                                   |             |
|-----------------------------------|-------------|
| Regular dividends and bonus. . .  | \$2,960,000 |
| Amount credited to Rest Account   | 2,000,000   |
| War tax on bank note circulation. | 210,000     |
| Reserve for Bank Premises. . .    | 425,000     |

a total of \$5,595,000, and leaving an amount to be carried forward to Profit and Loss of \$1,251,850.

Altogether the report is a most encouraging document, appearing at a time when the shrinkage of inventories and financial stringency are casting their unfavorable spell over the sentiment of the country.

## RETAIL PRICES

It is pointed out that workmen not yet getting material benefit from recent price reductions are more loath to accept reductions in their wages than they otherwise would be, and that thus the much to be desired reduction in the costs of production is made impossible or delayed. In short, there are many who think that the crux of the present difficulty is to be found in a sort of duel between the retailer on the one hand, determined to maintain prices on something like a cost basis, and the consumer on the other hand, equally determined to force retail prices down by withholding purchases.

That there is much truth in this view there can be little question. The retailers generally find themselves with large stocks of high cost-goods on their shelves—in many cases larger stocks than a wise policy would have dictated—and it is but natural that they should desire to move the goods without loss, or at least with a minimum of loss. However, it is at least a question whether a policy of price maintenance is a wise one, whether it would not be to the interests of the retailer in the long run to move the goods and take what loss is necessary in order to make room for the more recent lower priced goods and in this way get back quickly to a sound profit making basis. Certain it is that if relatively high retail prices are holding up the movement of goods and forcing manufacturers to close their factories or run them on a part time basis, thereby causing material unemployment, the purchasing power of the public will be impaired. And such a state of affairs is, of course, not desirable from the viewpoint of the retailer. It is exceedingly doubtful if the retail trade can induce the public to absorb its stocks of high priced goods at present prices, and an unduly prolonged attempt is very apt to bring about the state of affairs above referred to.

## HIGH-PRICED HOTELS

In some high-priced hotels there is a warning notice to departing guests which runs: "Look! Have you Left Anything?" Frequently, after paying their bills, the guests feel like changing this to: "Look! Have You Anything Left?"