

- FINANCIAL -

SLACKER MONEY

WHAT the new Canadian War Loan means as profit, as duty and opportunity to the average citizen is well expressed by Paul Tomlinson in McClure's when he says that comparable with the slacker in war and the slaker in business is money that is not working as hard as it should. It is slacker money.

Perhaps you have more money in your checking account than you need, and it is drawing only two per cent interest. If so, a part of it is slacker money. Perhaps you have an account in the savings bank yielding three, or possibly four per cent. In all probability your principal is safe and your interest is assured; furthermore, if you cannot purchase a greater return with a high degree of safety, then the savings bank is the best place for your money. On the other hand, it may be that a high-class bond offers equal safety, together with a greater yield; and if so the money might profitably be withdrawn from the savings bank and invested in the bond.

A problem in simple arithmetic will demonstrate the advantage of this

course. At the present time many gilt-edged bonds may be purchased at prices to yield five per cent or even more. A thousand dollars in the savings bank at four per cent earns forty dollars a year; that same thousand dollars invested in a bond yielding five per cent earns fifty dollars a year, an increase of ten dollars or twenty-five per cent. If you can increase your income by one-quarter and at the same time keep your principal safe, it is clearly the wise thing to do.

Did you ever stop to think how it is that a bank is enabled to pay interest on its deposits, pay expenses and salaries, and in addition earn large dividends for its stock-holders? It is because its funds are kept working all the while; banks are required by law to maintain a fixed cash reserve, but beyond that they have no idle dollars, no slacker money. All banks have certain funds which they keep "liquid," that is, ready and available for any emergency, but the money is always working. Night and day it is earning interest for its owners.

THE ROMANCE OF FINANCE

(Concluded from page 19.)

The value of the Bank of Montreal's enterprise should not be measured by its success as a joint stock undertaking, but by the security it has given to those who have trusted it, the facilities it has furnished for the exchange and the increase of commodities, and the assistance it has given to the development of the country.

In the year 1821 the Lachine Canal, an important link in Canada's great inland waterways chain, was begun. It was completed in 1825 at a cost of £110,000, and to this work the Bank of Montreal gave important financial assistance. But even before this time the Bank had made its influence deeply felt in the financial affairs of the country.

At the end of the first year's business the directors proposed to the Governor of Canada, the Duke of Richmond, who controlled the British monies, "that the bank be given the right of supplying the Government in this country with such monies as may be wanted by the different departments in Upper and Lower Canada." These negotiations terminated favourably and inaugurated the connection between the Bank and the Government, first, of the two provinces and later of the Dominion, which, continuing to this day "has brought honour and profit to the Bank and has been of the greatest value and service to the Canadian nation."

It must not be supposed that all this time the bank was doing business in its St. Paul street home. A few weeks after starting business the directors purchased for £2,000 the site of the present general post office on St. James street, and there a building was completed in 1819. It was the head office for thirty years, and cost £8,750.

About the time of the union of Upper and Lower Canada in 1841 there came a betterment in business conditions in the country. Under union the bank obtained a new charter to run 21 years, and was authorized to increase its capital to £750,000. The double liability clause was also imposed on shareholders. Immigration increased, and in the flow of prosperity extensive public works were undertaken, including the completion of the Welland Canal and improvement of navigation on the St. Lawrence. Now free to do business in Upper Canada, the bank established a large number of agencies there, and its busi-

ness grew so rapidly that the capacity of the head office was taxed. The adjoining site, that now occupied by the bank, was purchased from La Fabrique de Montreal for £10,000, and a handsome building erected. The old site was sold to La Banque du Peuple. Removal to the new premises was effected in 1848.

The history of those times is one of periods of prosperity rapidly followed by periods of reaction. Another commercial crisis in 1857 caused Canadian banks to cease to discount. The late fifties saw a hard struggle for Canadian business, and through this era the Bank of Montreal maintained its position but saw its profits diminished. But the years immediately preceding and following Confederation told another story. The bank paid dividends of 10 per cent., and the rest was increased by large amounts to \$1,500,000. Its fiftieth year found the Bank enjoying not only a substantial measure of success but also a remarkable prestige. It had nearly a fourth of the total paid-up banking capital in Ontario and Quebec, and more than a fourth of the banking assets. It was the government's depository and fiscal agent and enjoyed peculiar advantages as the sole issuer of provincial notes. Its capital was \$6,000,000; rest, \$1,500,000; assets more than \$20,000,000.

In 1870 an important milestone in the history of the Bank was reached with the opening of an office in London. Through the course of years the bank has attained a unique position among the colonial banks in London. It has been instrumental in negotiating public loans on behalf of Canadian government, municipal and corporation borrowers, totalling hundreds of millions of pounds. In December, 1892, the Bank was appointed fiscal agents for the Government of the Dominion of Canada. The present office is at 47 Threadneedle street, E.C., and the bank has a sub-branch in Waterloo Place, Pall Mall, where the requirements of Canadian visitors in London are given special attention.

The wave of prosperity that marked the opening of the new century was the greatest in Canada's history. The Bank of Montreal came to the fore in 1906 when it took over the Ontario Bank, after the latter had failed. The next year came the 1907 panic of sad memory. The tide in the Dominion's prosperity reached its highest point in 1912, and

then began reaction. The bottom fell out of the land boom in the West. A time of financial readjustment set in.

Although it is impossible in a brief sketch to deal at length with the men who have made the Bank of Montreal, it must be said that no man was better qualified to guide the institution through the trying times following 1912 than the President, Sir Vincent Meredith. His policy was ever a wise and cautious, while constructively progressive, one.

The latest chapter in the history of the Bank is that since the declaration of war. In many ways the Bank of Montreal has made its usefulness to Canada apparent in that era of changed financial conditions. With England at war, the source of capital became the United States, and here again the staff of the Bank produced a man whose training in London and New York had fitted him for the moment. What Sir Frederick Williams Taylor, general manager of the Bank of Montreal, has been able to do for this country in New York borrowing since the outbreak of war is a story that may be told some time.

CONTRACT AND CONSCIENCE

(Concluded from page 22.)

any malice? And would that have anything to do with your final statement to the Commission, that you did not know why you should have been asked such questions at all?

Was there anybody who thought he was particularly referred to in the matter of munitions on contract and who would therefore be vindictive to you as a result, even to the wanting of your scalp?

Did you make the matter of your baronetcy a very serious matter of secret cogitation before deciding to accept it? Or did you think that men of less brains and personal merit than yourself have more honour from the King?

Did you ever at any time since this bacon inquiry seriously consider handing the title back?

To all these questions, Sir Joseph, you need answer nothing more than Yes or No. We will attend to the rest. And you may do so either as President of the Wm. Davies Co., or as Chairman of the Imperial Munitions Board, or as plain Sir Joseph Flavelle.

Mrs. Green (whose husband has given her a black eye) to District Visitor: "Well, miss, matters might be a sight worse; I might be like you, and 'ave no 'usband at all."

Bonds for \$100

Many people of small means are possibly not aware of the opportunity for safe investment offered by our \$100 Bonds. The small investor has looked upon owning Bonds as rather beyond him—thinking of bonds as being only in denominations of \$1,000, or some other equally impossible sum. But \$100 will buy one of our Bonds, giving the holder of it precisely the same security as those of the largest denominations. They are a security in which Executors and Trustees are by law authorized to invest.

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Established 1855.

Cawthra Mulock & Co.

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CABLE ADDRESS—CAWLOCK, TORONTO

Established 1864.

The Merchants Bank OF CANADA.

HEAD OFFICE - MONTREAL.

Paid-up Capital - \$7,000,000

Reserve Fund - \$7,421,292

Total Deposits - \$92,102,072

Total Assets - \$121,103,558

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SAVINGS DEPARTMENT at all branches. Deposits of \$1.00 and upwards received, and interest allowed at best current rates.

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Is It Fair to Make Your Friend Your Executor?

Perhaps you feel you honor him with your trust. You certainly burden him with a great responsibility. Few individuals can spare the time and few have the ability or experience to properly carry on the duties of Executor of an Estate. Our thirty-five years experience in the care and management of Estates and Trusts is evidence of our worthiness to be appointed your Executor. Write for our Booklet "A Talk with a Business Man."

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