

# BANK OF MONTREAL STATEMENT SHOWS TRADE EXPANSION

Striking evidence of the marked expansion of business throughout Canada is one of the outstanding features of a strong annual statement which the Bank of Montreal is now reporting to its shareholders. With its large resources, the Bank has readily been able to meet the increased requirements of various industries, with the result that the gain in current loans in Canada for the year is well in excess of \$50,000,000. At the same time the customary strong position of the Bank has been maintained.

The statement, which is for the fiscal year to October 31st, shows that the total assets of the Bank have increased to \$873,782,523, compared with \$831,548,967 at the end of the previous fiscal year. Of this total liquid assets amount to \$473,898,282 equal to 59.55 per cent. of liabilities to the public. Included in liquid assets are total cash holdings of \$118,987,065 or 14.95 per cent. of all liabilities to the public. These cash holdings comprise gold and subsidiary coin \$33,595,262, as compared with \$38,400,252; Dominion Notes \$60,391,802, up from \$50,552,958; and deposit in Central Gold Reserves of \$25,000,000, compared with \$19,000,000.

## Large Increase in Loans.

As a result of the important developments that are occurring in many sections of the country, the tendency has been to report substantial increases in call, as well as current loans. Call and short loans in Canada now stand at \$39,147,086, up from \$29,719,404, while call loans in Great Britain and the United States are down to \$138,965,168 from \$151,381,604.

Indicative of the much larger general business being handled, current loans in Canada have risen to \$308,752,388, from \$255,155,693, making an increase of \$53,596,695 over the previous year. At the same time, loans to cities, towns and municipalities and school districts have gained to \$22,416,665, from \$16,651,162, while

current loans and discounts elsewhere than in Canada are reported at \$35,496,446, down from \$45,628,393.

Reflecting the growth in the wealth of the Canadian people, deposits continue to find new high levels. Total deposits at the end of the year stand at \$721,465,012, compared with \$700,227,281, a gain of over \$20,000,000.

The profit and loss statement indicates that with the larger volume of business offering profits have also shown a tendency to increase. Profits for the year, after deducting charges of management and making full provision for all bad and doubtful debts, were \$5,847,327, equal to 9 1/2 per cent. on the combined capital, reserve and undivided profits; this compared with \$5,299,887 at the end of the previous year. The profits, added to the amount carried forward, brought the total available for distribution up to \$6,002,126. This was distributed as follows: Dividends and bonus, \$4,138,338; provision for taxes Dominion Government, \$400,000; reservation for bank premises, \$700,000; a total of \$5,238,338, and leaving a balance to the credit of profit and loss of \$713,788, as compared with \$154,799.

The report will be submitted to shareholders at the annual meeting to be held on Monday next, December 3rd.

There is no doubt in the mind of L. S. James, of New York, as the New York Central Railway, as to whether or not the subject is a controversial one among big game hunters, decisive testimony was afforded recently in the experience of Mr. James in the Metamora district, lying between Sudbury and Chapleau in Northern Ontario. He was paddling in his canoe along the shore of the Spanish River and came upon a bull moose unawares. The animal at once gave chase and only by dint of hard paddling by Pete Commanda, the Indian guide, were they able to escape. Another canoe in rear was similarly pursued.

# HOLDERS OF C. P. R. STOCK ARE PRETTY SURE OF RECEIVING SUBSTANTIAL RETURNS

Current Loans in Canada at \$308,752,388 Have Made Notable Gain of \$53,000,000 During the Year—Total Assets Stand at \$873,782,523—Liquid Assets at \$473,898,282 are Equal to 59.55 Per Cent of Liabilities to the Public.

(Financial Post.)

Montreal, Dec. 1.—While E. W. Beatty, president of the Canadian Pacific Railway, put the final quietus on rumors of segregation of the company's mining and other assets, in his Toronto speech this week, and thus confirmed the statement made by him and reported in the recent interview he accorded in The Financial Post, he did not commit himself on the question of a possible split-up of C. P. R. shares. Mr. Beatty said: "You are aware of the rather speculative tendency that has crept into our financial operations in the last few years and you know that many of our most conservative and stable of our institutions have bowed to this popular demand in order to make their securities attractive in the public market."

## What is His View.

If that remark refers to anything it is more likely that it refers to stock splits than to anything else. But Mr. Beatty's remark left his listeners wondering as to his own attitude on a stock split for C. P. R. for he said: "With any movement or policy designed to broaden the investment of Canadians in Canada I am in entire accord."

There is a feeling in the financial community that C. P. R. at \$250 a share is in the high priced class, beyond the reach of many thousands of investors who divide their funds among several different companies and therefore have to restrict their in-

vestments in any one company to \$500 or \$1,000. A board lot of 25 shares of C. P. R. costs over \$6,000 and even a ten share purchase takes \$2,500 at the present time.

## No Split Is Seen.

Nevertheless, it is not anticipated that C. P. R. will do anything at the present moment in the way of a stock split. The directors are very conservative, take a very long term view and as a unit, probably would be opposed to a split. Yet as individuals they represent many of the largest corporations in Canada that "have bowed to the popular demand." Ross McMaster's company, Steel of Canada, has split its stock. Sir Herbert Holt's Montreal Power has split its stock on several occasions. Brig. Gen. Frank S. Meighen's Lake of the Woods Milling Company has recently indulged in a break-up of its shares. James A. Richardson is a powerful director, in International Nickel, which has just split its stock six to one.

## Stock at 4 Per Cent

An interesting question regarding C. P. R. now arises in view of the fact that the stock has reached a basis of only four per cent. yield in the market. If present yield only were considered the stock has about reached its limit. Any further advances are likely to be based upon future returns. Con C. P. R. offer its shareholders anything more than an assurance of ten per cent on the par value of its shares, which would amount to four per cent. on the present price of the stock? The point has been suggested that an increase in C. P. R. dividend is well nigh impossible; that such an increase would make it difficult for C. P. R. to maintain a basis of freight rates that already gives it only a little over four per cent. on its investment in transportation; that an increased dividend would lead to a popular demand for rate reductions. But it may be questioned if this is not too pessimistic a view. The public of Canada may have definite ideas as to the limiting of the C. P. R. dividends earned from railway operations but that portion of the dividend so earned is only seven out of the total of ten per cent. that is being paid. Even were the C. P. R. to continue its "operating" dividend at seven per cent, the public of Canada could hardly object to its increasing, if it saw fit, the three per cent. dividend paid from special investments that have been made. C. P. R. should earn a substantial margin over the special income dividend this year and when it begins to reap the full benefit of its enormous holdings of Consolidated Smelters stock and in new hotels and steamships its earnings from special income should mount rapidly. It would be absurd to claim that any portion of this increase should be set off against operating income in order to reduce freight rates below the present level. This being the case the logical ultimate outlet for it is in the form of increased dividends to shareholders.

In any event whether increased dividends are in sight or not, C. P. R. shareholders are likely to get from time to time rights to subscribe to new shares at reduced prices, which rights whether sold in the open market or exercised would add to the shareholders' income and increase their income to a satisfactory level.

Considering these points, C. P. R. still looks an attractive long term investment for Canadians, regardless of segregation or stock splits.

# BANK OF MONTREAL Annual Statement

Statement of the result of the business of the Bank for the year ended 31st October, 1928.

Balance of Profit and Loss Account, 31st October, 1927	\$ 154,799.31
Profits for the year ended 31st October, 1928, after deducting charges of management, and making full provision for all bad and doubtful debts	5,847,327.36
	\$6,002,126.67
Quarterly Dividend 3 per cent. paid 1st March, 1928	\$897,501.00
Quarterly Dividend 3 per cent. paid 1st June, 1928	897,501.00
Quarterly Dividend 3 per cent. paid 1st Sept. 1928	897,501.00
Quarterly Dividend 3 per cent. payable 1st Dec. 1928	897,501.00
Bonus 2 per cent. payable 1st Dec. 1928	598,334.60
	\$4,138,338.60
Provision for Taxes Dominion Government	400,000.00
Reservation for Bank Premises	700,000.00
	\$5,238,338.60
Balance of Profit and Loss carried forward	\$ 713,788.67

CHARLES B. GORDON, President.

FREDERICK WILLIAMS-TAYLOR, General Manager.

## GENERAL STATEMENT

31st October, 1928

LIABILITIES	
Capital Stock	\$29,916,700.00
Reserve	\$30,916,700.00
Balance of Profits carried forward	713,788.67
	\$31,630,488.67
Unclaimed Dividends	12,831.07
Quarterly Dividend, payable 1st Dec. 1928	897,501.00
Bonus of 2% payable 1st Dec. 1928	598,334.60
	\$8,439,676.74
Notes of the Bank in circulation	\$ 46,967,574.00
Deposits not bearing interest	149,779,430.83
Deposits bearing interest, including interest accrued to date of statement	571,685,581.53
Advances under the Finance Act	15,000,000.00
Deposits made by and Balances due to other Banks in Canada	2,629,397.13
Balances due to Banks and Banking Correspondents elsewhere	9,394,770.39
than in Canada	335,268.50
Bills Payable	79,000.00
Letters of Credit outstanding	126.62
Liabilities not included in the foregoing	579.53
	\$97,913,622.62

ASSETS	
Gold and Subsidiary coin current	\$ 33,595,262.80
Dominion notes	60,391,802.25
Deposit in the Central Gold Reserves	25,000,000.00
Deposits made with and Balances due from other Banks in Canada	4,323.96
Balances due by Banks and Banking Correspondents elsewhere than in Canada	14,120,539.85
Call and Short (not exceeding thirty days) Loans in Canada, on Bonds, Debentures and Stocks and other securities of a sufficient marketable value to cover	39,147,086.08
Call and Short (not exceeding thirty days) Loans in Great Britain and United States, on Bonds, Debentures and Stocks, and other securities of a sufficient marketable value to cover	138,965,168.92
Dominion and Provincial Government Securities not exceeding market value	192,237,118.91
Railway and other Bonds, Debentures and Stocks not exceeding market value	79,704,087.20
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian not exceeding market value	3,693,024.06
Notes of other Banks	26,054,892.93
United States and other foreign currencies	4,011,599.97
Cheques on other Banks	921,483.26
	48,208,713.18
Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	\$308,752,388.68
Loans to Cities, Towns, Municipalities and School Districts	22,416,665.58
Current Loans and Discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	35,496,446.64
Non-current Loans, estimated loss provided for	2,612,919.78
	\$35,678,420.68
Bank Premises at not more than cost (less amounts written off)	11,800,000.00
Real Estate other than Bank Premises	586,975.30
Mortgages on Real Estate sold by the Bank	1,411,449.97
Liabilities of Customers under Letters of Credit (as per Contract)	13,125,276.62
Deposit with the Minister for the purposes of the Circulation Fund	1,407,093.53
Shares of and loans to controlled companies	3,613,002.22
Other Assets not included in the foregoing	456,072.74
	\$73,782,523.62

NOTE:—The business of the Bank in Paris, France and in San Francisco, U.S.A. is carried on under the name of local incorporated companies and the figures are incorporated in the above General Statement.

NOTE:—Bonds of the Merchants Realty Corporation to the extent of \$2,101,000.00 secured on premises leased to the Bank are in the hands of the public. These bonds do not appear in the above Statement as the Bank is not directly liable therefor.

CHARLES B. GORDON, President.

FREDERICK WILLIAMS-TAYLOR, General Manager.

TO THE SHAREHOLDERS OF THE BANK OF MONTREAL: We have compared the above Statement with the Books and Accounts of the Bank of Montreal at the Head Office, and with the certified branch Returns. We have checked the cash and verified the investments and securities at the Head Office, and at several of the principal Branches of the Bank at the end of the financial year. We have likewise, at various dates throughout the year, checked the cash and verified the securities at several important Branches.

We have to report that (a) we have obtained all the information and explanations we have required; (b) subject to the judgment to be rendered in a suit taken by John Hamilton, Boswell & Limited and Jeffrey Hale's Hospital of the City of Quebec, which is now pending, in which the power of the Bank to make a donation of \$200,000 (\$50,000 paid and the balance, payable over three years, which has been provided for) to the Royal Victoria Hospital, the Royal Victoria Maternity, the Montreal General and Western General Hospitals, Montreal Joint Campaign Fund is challenged, in our opinion the transactions of the Bank, which have come under our notice, have been within the powers of the Bank, and (c) in our opinion, the above Statement discloses the true condition of the Bank and it is as shown by the books of the Bank.

JAMES HUTCHISON, C.A.

of the firm of Rodell, Steel, Granam & Hutcheson

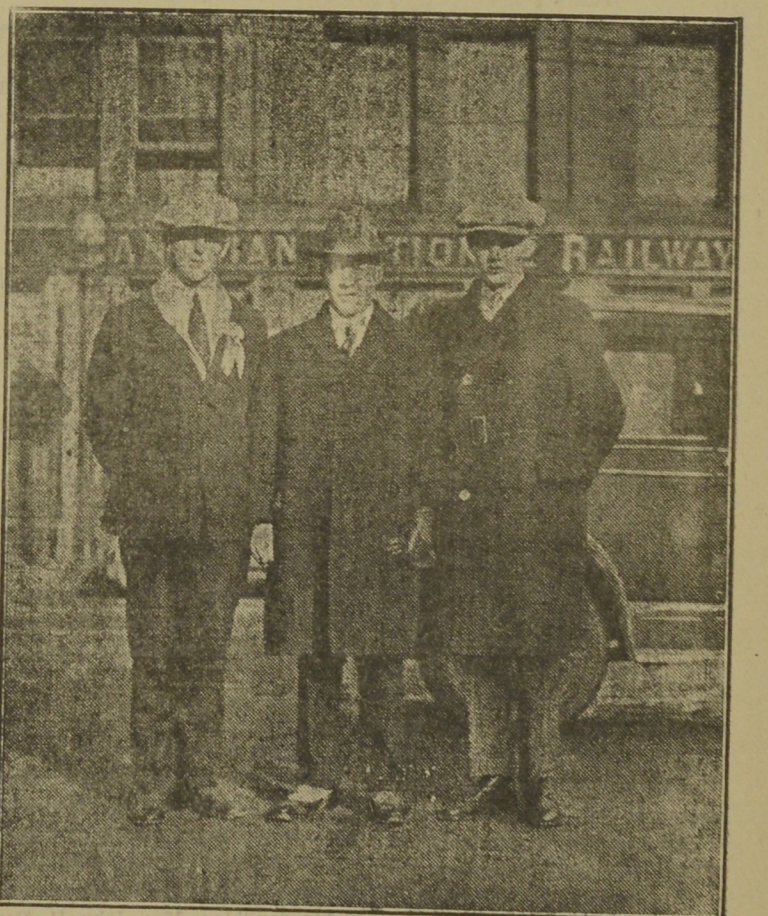
Auditor of the firm of Creak, Cushing & Hodgeson

MONTREAL 23rd Nov., 1928

CHARLES A. HODGSON, C.A.

of the firm of Creak, Cushing & Hodgeson

# DOMINION CHAMPIONS CALF CLUBS



A team from Nova Scotia, Raymond Longley, of Paradise, and Gerald Johnston, of Burt's Corner, are winners of the Dominion Championship Boys' and Girls' Cattle Clubs Competition held at the Toronto Royal Fair. They become possessors of the new trophy presented by Dr. W. J. Black, Director of Colonization and Agriculture of the Canadian National Railways. They were coached by Messrs. Eaton and Steele. Left to right in the picture, Raymond Longley, Dr. W. J. Black, and Gerald Johnston.

"I hear Flint recently joined the ranks of the benedicts." "Well, how did you enjoy your visit to the dentist?" "Zat so?" Just like him—always looking for sympathy." "I was bored to tears."—Boston Transcript

# Home made Candy

Treat the folks this Easter-time to candy of your own make! None tastes so delicious, none so perfectly satisfies, none so pure and good for all as the candy you make in your own kitchen. Use Borden's St. Charles when the recipe calls for milk—it's creamy richness improves the flavor, adds to the food value of all candy. Here are a few tested recipes made with Borden's St. Charles—try them—they will delight you—

## Three Layer Candy

### PECAN FUDGE

2 cups granulated sugar  
1 tablespoon butter  
pinch soda  
3/4 cup pecans (broken)  
1 cup Borden's St. Charles Milk  
1 teaspoonful vanilla  
1 tablespoon corn syrup

Place sugar, milk, syrup, butter and soda on stove. Boil until it forms soft ball when tested in cold water. Remove, whip, add flavor and nuts. When creamy pour in buttered pan.

## Butter Fondant

4 cups granulated sugar  
1 cup corn syrup  
1/4 teaspoon salt  
1 tall tin Borden's St. Charles Milk  
1 lb. butter  
Mix sugar, milk, syrup and butter. Add salt. Place over slow flame, stir constantly and boil until it forms a soft ball when tested in ice cold water or 238 degrees with candy thermometer. Remove and pour on to a platter which has been slightly sprinkled with cold water. When cool to blood heat, beat with wooden ladle until the whole becomes creamy and firm.

## Cream Peppermint Drops

1/2 cup Borden's St. Charles Milk  
3 1/2 tablespoonfuls water  
2 cups granulated sugar  
1/2 teaspoon cream of tartar  
2 drops oil of peppermint  
Combine the first three ingredients in a saucepan and boil gently without stirring until a soft ball will form when a little is tried in cold water. Cool till tepid, then flavor, beat till creamy and quickly drop on oiled pans in small rounds from the tip of a teaspoon.

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Borden's  
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The ABC of  
Modern Stock Market Trading  
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