

The Chronicle

Banking, Insurance and Finance

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THE BANKS' MUNICIPAL LOANS.

The figures of the banks' loans to cities, towns, municipalities and school districts have now been available for comparison over a period of three years—since July, 1913. During the ante-war period, the general tendency of these loans was downward, a minimum of \$29,301,620 being recorded for January, 1914. While there were advances in the following months from this level, at the end of July, 1914, these loans were still nearly seven millions lower than they were a year previously, at \$36,372,334.

With the outbreak of war and the consequent cutting off of the civic authorities from their customary supplies of capital, these loans rapidly advanced, the highest level recorded being reached in October, 1914, with \$47,316,076. Thence there was a decline until January, 1915, when \$35,952,805 was recorded. By June, 1915, these loans were, however, up to \$46,889,819, following which came a decline until December, 1915 (\$30,878,028) and a gradual advance to June, 1916, when the total of these loans reported (\$46,773,032) corresponded closely with the amount recorded a year previously.

The following table shows the course of these loans month by month:—

June, 1916	\$46,773,032
May	43,924,036
April	44,371,050
March	38,649,462
February	35,149,915
January	32,015,371
December, 1915	30,878,028
November	41,064,550
October	45,682,230
September	43,928,331
Aug st	46,020,730
July	44,029,446
June	46,889,819
May	43,948,436
April	43,031,360
March	41,227,449
February	38,437,903
January	35,952,805
December, 1914	38,256,947
November	44,706,055
October	47,316,076
September	44,338,873
August	39,664,534
July	36,372,334
June	37,260,571

May	\$33,689,577
April	30,168,812
March	31,890,843
February	30,372,854
January	29,301,620
December, 1913	30,518,573
November	35,173,817
October	37,846,369
September	37,465,383
August	41,310,281
July	43,121,384

The activity in permanent and quasi-permanent financing at home or in the United States on the part of many municipalities during the last year or so has, it will be seen, not lessened the civic authorities' dependence upon the banks. Probably, however, at the present time these borrowings represent to a lesser extent than formerly expenditures on capital account made in anticipation of permanent financing and to a greater extent borrowings on revenue account due to deficiencies in revenue and to slow collection of taxes.

The subjoined table shows the details of the banks' municipal loans as at June 30 last and a year previously:—

	June 30, 1916.	June 30, 1915.
Montreal	\$12,535,204	\$7,731,792
Quebec	133,258	162,967
Nova Scotia	942,881	993,061
British	2,381,677	4,781,847
Toronto	4,011,261	3,523,893
Molson's	2,004,782	1,642,507
Nationale	212,113	584,179
Merchants	954,938	1,191,539
Provinciale	288,987	418,101
Union	2,100,822	3,043,496
Comme ce	4,132,844	4,525,560
Royal	3,025,526	3,167,500
Dominion	296,774	590,104
Hamilton	2,041,081	2,148,907
Standard	995,736	1,197,252
Hochelaga	1,246,216	729,708
Ottawa	1,762,021	2,517,406
Imperial	7,232,592	7,333,659
Home	128,472	116,565
Northern Crown	203,921	337,123
Sterling	103,845	119,249
Weyburn	38,078	33,401
	\$46,773,032	\$46,889,816

There has been a particularly large increase during the past year in the municipal loans of the Bank of Montreal and a sharp decrease in those of the Bank of British North America. Otherwise the return does not show striking change. Doubtless the municipal authorities, particularly in the West, will find themselves compelled to rely considerably upon the banks until such time as they are able to get in taxes more freely than at present.

NOTICE.

Owing to military duties intervening in our Editorial department, we propose doubling up for two or three weeks, and issuing THE CHRONICLE on alternate weeks commencing August 18th.

Under the British Government's scheme of insurance against aircraft damage, about 168,000 policies covering \$8,000,000 have been issued.