holds a mortgage on any particular property is by having examined the records in the record office of the district in which the property is located. The sworn declaration of the company's responsible officers one would think would be sufficient, but if not, a list of the mortgages could be submitted to the registrar of each district for his verification. The government could arrange for that if the declaration in regard to the company's general statement is not regarded as sufficient. No system of inspection, followed by the Ottawa officials, of the documents which the mortgagees may have in their possession can, for reliability, compare with a certificate of search by a registrar.

The company's head office seems to be the logical place for the original documents. The shareholders of a company, being most interested, expect the management to submit the originals, or such proof as may be required of their existence, to the company's auditors for verification. Neither the shareholders nor the auditors depend for this information upon the reports of the government officials of the different countries in which the company may be doing business.

It is to be feared that unless an arrangement is made which is more mutually agreeable to the insurance department and to some of the insurance companies, there will be a discouragement of these companies' investments in Canada. Already such a tendency is noticeable. *The Monetary Times* knows that the department's experiences in connection with the Union Life Assurance Company and its operations have not been forgotten and that, very properly, great care is being exercised. That policy, however, should not be carried too far.

## STOCK MARKET AND WAR ORDERS

The stock market business which was so badly hit by the war, is slowly improving. The volume of trading is increasing. There are signs of an investment demand, but a new danger may be shaping, and that is in the value of war orders as affecting the prices of industrial stocks. The stock market is apt to grasp at the first good looking factor likely to put life into a listless situation. The value of war orders, both to the general industrial position in Canada and, in turn, to the industrial market for industrial stocks, is inclined to be exaggerated. Large orders for shrapnel and war materials generally have been placed in this country. These are already being discounted in the stock market. We have, for instance, a Boston newspaper displaying a large photograph of senator Curry, president of the Canadian Car and Foundry Company, describing him as the "Canadian responsible for the boom in American stocks." Referring to the company's $80,000,000 Russian shell order and its distribution in part among United States firms, that paper says: "Had Mr. Curry been a speculator he might have won millions."

In London, a strong movement in Canadian Car and Foundry Company stocks pushed the ordinary shares from 25 to 71 and the preference shares from 67 to 92 within two months. This rise was based chiefly on the fact that the company had obtained a large order for the manufacture of shells for the Russian government. London authorities have dubbed this stock movement "a Canadian gamble." It is only fair to note, however, that the company has not encouraged this stock gambling. Its London agents issued an announcement which should have checked the gamble.

Canadian manufacturers cannot depend upon war orders for general prosperity. The value of goods made in Canadian factories in one year should be about $1,400,000,000. That amount would represent Canada's annual output at full speed, or the normal capacity of all our factories. That means an output on the average of $116,000,000 monthly. Assuming that Canada's war orders, including the heavy orders for shrapnel, have totalled $350,000,000—and we think that is approximately the figure—such orders would keep our entire industrial plant busy for about three months only. The stock market cannot afford to lose sight of these facts.

## BANK SAVINGS

For the first time on record last month total deposits for March exceeded a billion dollars. This amount has been reached in other months in previous years but not in any previous March. The deposits payable on demand, the business deposits, totalled $339,500,000 compared with $345,590,000 a year ago. Deposits payable after notice, the savings deposits, totalled $676,875,000 compared with $646,000,000 a year ago.

The deposits record for the past five years for the month of March is given in the following table compiled by *The Monetary Times*:—

| March. | On demand. | After notice. | Total. |
|---|---|---|---|
| 1911 ...... | $278,171,792 | $553,032,466 | $ 831,204,258 |
| 1912 ...... | 331,896,238 | 606,044,932 | 937,941,170 |
| 1913 ...... | 357,756,659 | 630,434,708 | 988,191,367 |
| 1914 ...... | 345,590,642 | 646,143,604 | 991,734,246 |
| 1915 ...... | 339,514,286 | 676,875,790 | 1,016,390,076 |

The savings deposits in March were over $123,000,000 greater than the total four years ago. At the end of July, they were at a high level also, namely $671,000,000. War was declared on August 4th and at the end of August these deposits had declined to $659,000,000, a decrease of $12,000,000 during the month. Part of these withdrawals were due to the general feeling of panic. *The Monetary Times* was told by a banker, for instance, that one depositor withdrew several thousand dollars from his savings account, the humorous touch being given to the transaction by the fact that he took out his savings in the bank's own notes, depositing them in the same bank's safety deposit vaults.

The fact that the government and the bankers provided emergency financial measures immediately after war broke out, undoubtedly prevented a bad financial panic and heavy runs on bank deposits. Confidence was rapidly restored. Those responsible for this masterstroke have not even yet been given the credit due to them. Only by remarkably quick action was financial disaster averted. In September, the savings deposits declined by only $1,000,000. In October, they increased nearly $2,000,000. In November, they gained $6,000,000 and since that month they have increased $10,000,000.

It has been suggested in some quarters that the savings deposits accounts may have been inflated to some extent during the past few months by special deposits. The highest authorities consulted by *The Monetary Times*, however, state that there has been a steady increase in what, in the true sense of the word, are savings deposits, and that ordinary depositors, also, being either unable or unwilling to lend their funds at the present time, are transferring abnormally large current account balances to savings bank accounts.