

having been incorporated in the Province of Ontario under Ontario law the Company could not do business outside Ontario. This contention has been upheld by the Supreme Court, following the spirit of some recent decisions by the Privy Council on the same subject in the John Deere Plow case and others. Apparently some of the provinces are taking serious heed of the decision given in the John Deere Plow case. It is reported from New Brunswick that legislation is being introduced in the local legislature, the effect of which is to cut out all provisions in the existing law contrary to the spirit of the Privy Council judgment in the case mentioned. As a step towards the straightening out of the sadly complicated company legislation of Canada, this is all to the good.

CONTINUED GAINS IN SAVINGS DEPOSITS

A feature of the newly published February bank statement is the continued steady gain in the banks' notice deposits. At February 27 last, they reached \$671,088,613, or within \$130,000 of the record figures reported at the end of July, 1914. This record level was followed by sharp declines in August and September to a minimum at September 30, of \$658,401,501, but between the end of September and the close of February, these deposits have steadily increased by fully \$12,750,000, through the piling-up of savings, idle commercial money and the carrying of exceptionally large cash balances by many financial corporations. They now show a gain of over \$30,000,000, equal to nearly 5 per cent. in comparison with the corresponding date of 1914.

COMMERCIAL LOANS TAKE A TURN.

Another interesting point revealed by the statement is a definite turn in the downward tendency which has been in evidence for many months, of the banks' Canadian commercial loans and discounts. Ever since the war began these commercial loans have been going down month by month, the contraction between

the end of July and the end of January being some 70 millions. The close of February shows a total of these loans of \$771,635,208, a rise of \$1,416,207 for the month. Beyond this, there was a rise in the loans to municipalities of nearly 2½ millions, which suggests that the sale of municipal bonds in the United States and locally is not keeping pace with the urgent requirements of many of our municipalities, which have accordingly been compelled to arrange temporary loans from the banks. It may be taken for granted that these loans, if for anything more than current expenditures in anticipation of tax collections, are required urgently; the banks would hardly be likely to extend accommodation to their municipal borrowers at present otherwise, however desirable in theory an improvement or development might be. An increase in the banks' Canadian call loans is also to be noted, amounting to nearly 1½ millions.

BANKS' STRONG POSITION.

These increases, particularly in the banks' commercial loans, afford concrete justification of the banks' argument that legitimate business is not being starved for want of accommodation under the present trying circumstances, and suggest something of an improvement in business. It is possible that the financing of orders for war equipment and supplies would in part account for the increase in the banks' commercial loans. With that possibility in mind, it is perhaps going too far to suggest on the February figures that the orderly liquidation which has now been in progress many months has now reached its apex, and that henceforth the banks will be inclined to let out funds a little more freely. At the same time it is possible that with the final break-up of winter, there will be new activity in certain lines, and a corresponding demand for bank credits.

The banks' general position is still well above normal. Their holdings of specie and Dominion notes plus net bank balances abroad and foreign call loans were at the end of January in the proportion of 25.8 per cent. to their circulation and deposits.

ABSTRACT OF THE BANK STATEMENT FOR FEBRUARY, 1915.

(Compiled by The Chronicle).

	February 27, 1915.	January 31, 1914.	February 28, 1914.	Month's Change.	Year's Change.
LIABILITIES.					
Circulation.....	\$ 97,789,392	\$ 97,192,699	\$ 97,563,982	— \$ 596,693	+ \$ 192,699
Demand deposits.....	331,415,179	329,916,730	337,516,595	+ 1,498,449	+ 6,101,416
Notice deposits.....	671,088,613	666,960,482	640,927,130	+ 4,128,131	+ 30,161,483
Foreign deposits.....	92,092,034	91,807,007	119,556,649	+ 285,027	+ 27,464,615
Total liabilities.....	1,281,079,445	1,278,492,520	1,289,216,072	+ 2,585,925	+ 8,136,627
ASSETS.					
Specie.....	66,125,031	66,067,376	44,227,312	+ 57,655	+ 21,897,719
Dominion Notes.....	138,727,871	138,285,051	100,775,031	+ 442,820	+ 37,952,840
Deposits in Central Gold Reserve.....	5,250,000	6,950,000	3,000,000	+ 1,700,000	+ 2,250,000
Securities held.....	110,999,382	107,535,745	103,739,598	+ 3,465,737	+ 7,259,784
Canadian call loans.....	67,591,769	66,154,891	71,374,602	+ 1,436,878	+ 3,782,833
Foreign call loans.....	89,890,982	85,796,641	141,143,442	+ 4,194,341	+ 51,252,460
Canadian current loans.....	771,635,208	770,118,911	811,711,219	+ 1,416,297	+ 40,076,011
Foreign current loans.....	43,661,379	43,987,270	56,052,837	+ 325,891	+ 12,391,458
Loans to municipalities, etc.....	38,437,903	35,952,805	30,372,854	+ 2,485,098	+ 8,065,049
Total assets.....	1,525,052,085	1,521,319,168	1,535,980,490	+ 3,732,917	+ 10,928,405