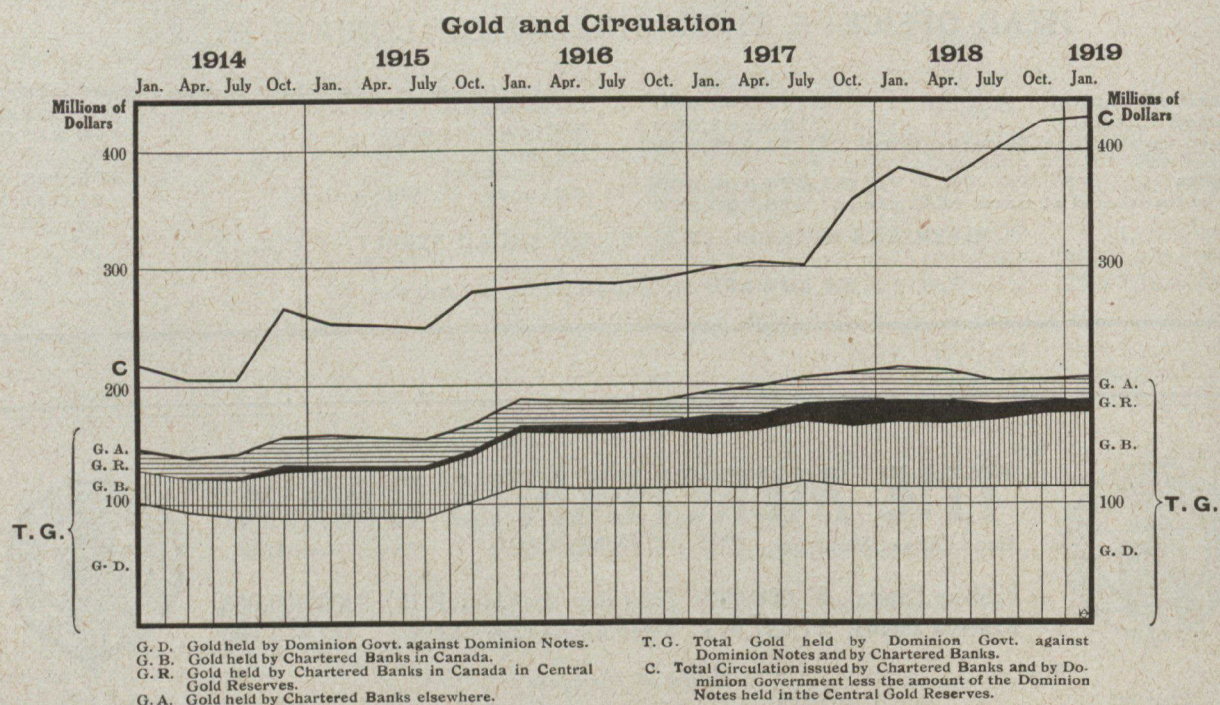


GOLD AND CIRCULATION

THE April number of the Bank of Commerce commercial letter comments on the steady increase in the amount of gold held by the banks and the government against their combined note issues, after deducting from the latter the Dominion notes held in the Central Gold Reserve. The increase is illustrated by a chart, which is reproduced herewith. By way of comment, the letter says:—

It will be noted that at the end of July, 1914, just at the outbreak of war, the total amount of gold held by the banks and the government was \$143,754,000 or 70 per cent. of the notes outstanding, which amounted to \$205,264,000, the amount of the Dominion notes held in the Central Gold Reserve being almost negligible. At the end of January last, the gold held had increased by \$63,151,000, and was thus 48.3 per cent. of the notes outstanding (always excepting the Dominion notes in the Central Gold Reserve). On the other hand, taking into consideration the total of Dominion

notes, including those in the Central Gold Reserve, and of bank notes issued at the end of January last, the ratio of gold to notes was 39.6 per cent. as compared with 69 per cent. in July, 1914. In Britain at the end of December last the ratio of gold to notes outstanding was 25.6 per cent., and in the United States 65.7 per cent. The Federal Treasury of Australia has issued notes amounting to £57,035,000 against which it holds 40.4 per cent. or £23,228,000 in gold. While Canada's ratio of gold to currency compares favorably with that of the average belligerent country, her circulation per capita is relatively high. In view of this and similar expansion in Britain and the United States, the minister of finance has taken power to continue restrictions as to the export of gold. "Generally speaking," the minister stated in parliament, "it has been the policy and is the policy of the government to cancel restrictions and regulations just as rapidly as in our judgment the national interests of the country will permit."



MARCH BANK STATEMENT

In March the increase in savings deposits in Canadian banks was \$19,000,000; in February it was \$28,000,000. Note circulation in March increased by approximately ten millions, and deposits in the central gold reserve by about five millions. Call loans, both in and outside Canada were in advance of the previous month. The following are the principal comparisons:—

	March, 1919.	Feb., 1919.
Reserve fund	\$ 117,433,322	\$ 116,870,214
Note circulation	214,576,870	204,779,750
Demand deposits	566,797,268	566,775,434
Notice deposits	1,037,851,766	1,018,184,512
Deposits outside Canada	210,104,607	200,560,308
Current coin	80,253,572	80,178,615
Dominion notes	172,651,993	185,932,418
Deposits central gold reserve.	108,350,000	103,750,000
Call loans in Canada	87,601,337	79,154,121
Call loans outside Canada	160,116,443	155,983,681

	March, 1919.	Feb., 1919.
Current loans in Canada	1,117,197,446	1,095,301,791
Current loans outside Canada..	123,984,608	130,590,063
Total liabilities	2,358,158,319	2,325,014,654
Total assets	2,612,163,711	2,575,191,491

The complete statement will appear in these columns next week.

OF INTEREST TO INVESTMENT HOUSES

An old-established investment house in western Canada, with excellent connections, is desirous of entering into some arrangement with an eastern bond house wanting representation in the west. Those interested are asked to communicate with Jas. J. Salmond, president of *The Monetary Times*, who will be pleased to furnish fullest particulars.