

a proportion of 55.4 per cent. against 49.7 per cent. last year, to direct liabilities to the public.

INCREASE IN DEPOSITS.

A further satisfactory feature of the new statement is the substantial increase amounting to over \$10,000,000 in interest-bearing deposits, the net gain in deposits being about \$8,000,000. Call loans abroad are \$10,000,000 lower than a year ago, but this reduction is offset by an equivalent rise in foreign bank balances. The current loan account is given in more detail than in previous balance sheets. Current loans and discounts in Canada are \$108,845,333; over \$9,000,000 has been lent to municipalities, \$5,000,000 to the Dominion Government, and \$5,756,003 in current loans and discounts abroad, making a total of \$128,618,661 against \$134,163,473 a year ago—a particularly small decrease considering that liquid reserves have been so largely increased this year and that in 1913 there was an advance of over \$15,000,000 in current loans and discounts.

It is clear from the whole statement that the difficult problems of the year have been admirably met by the Bank's management and that the Bank is in an excellent position at present and well able to meet the problems and difficulties which will have to be encountered during the coming twelve months.

OCTOBER BANK STATEMENT.

The October bank statement was published yesterday. A welcome feature is the gain in notice deposits amounting to \$1,405,181, and bringing up their total to \$659,806,682, an increase of over 38 million dollars on the total reported at the corresponding date of last year. This October gain follows a sharp decrease in August of about 12 million dollars and a slighter one in September, of about a million dollars. Demand deposits also show a small increase of \$468,624, but are 41 millions lower than a year ago at \$348,752,830. These deposits fell eight millions in August, and 1½ millions in September. Foreign deposits are down by about 10 millions on the month to \$90,866,894, the decrease for the year being also about ten millions.

Canadian call loans are \$138,805 higher for the month at \$70,201,939. Canadian current loans show a decrease of nearly 10 millions to \$816,623,852, this decline following one of 3½ millions in August, and 10 millions in September. These current loans are about 46 millions lower than they were a year ago, showing the prevalent slackness of trade. Foreign call loans have been reduced by over 8 millions to \$81,201,671, following reductions of 29 millions in August and seven millions in September. This reduction is in part offset by higher bank balances abroad.

Dominion notes continue to be accumulated by the banks. Their holdings at October 31 were \$121,023,100, an increase of over 10 millions for the month. This is practically 31 millions more than the Dominion notes held a year ago. Specie holdings decreased over three millions on the month, but are nearly eighteen millions higher than a year ago. The banks' own circulation at October 31, was \$123,744,682, an increase of \$3,378,896 on the month and of about five and half millions for the year.

LOAN COMPANY'S BROAD-MINDED POLICY.

Some interesting details regarding the broad-minded and patriotic policy of one of the leading loan companies operating in Canada were given this week to *THE CHRONICLE*, by an executive officer of the company. The company in question has long been held in high repute and that it is fully living up to its reputation is shown by the following details.

The company finds that at the present time interest payments continue normal, but there has been a decided falling-off in the voluntary repayments of principal on the part of borrowers. On the other hand, the company has regularly to meet in London, the interest on very large amounts of debentures, to repay in Great Britain the principal sums of those debentures which fall due from time to time, and to maintain as far as possible, the dividends on its capital stock, which by reason of the high standing of the company, is well known as an excellent investment security, any passing or reduction in the dividends of which would, therefore, be a serious matter. In brief, while payments to the company are being made less freely than usual, the necessity is laid upon the company to continue its own payments to debenture and shareholders as before.

NO PRESSURE ON BORROWERS.

The crux of the problem is, of course, to be found in the necessity for provision for repayments of principal which have to be made by the company to its debenture-holders at due date. It might not be unfairly anticipated that in such circumstances the company would bring some pressure to bear upon borrowers and in turn insist upon repayments of principal being made to it promptly. The company in question is following, however, a much more broad-minded policy than this. It is bringing no pressure at all to bear upon its borrowers. It is well known that in many cases a slight pressure would result in the repayment of principal, though at some inconvenience to the borrower. But instead of bringing this pressure to bear the company is carrying exceptionally large balances to meet the demands of its debenture holders and allowing its borrowers to renew their loans, to their no small comfort and convenience.

A PATRIOTIC POLICY.

This broad-minded policy costs something. The company could employ the large balances which it is carrying in this way at attractive and profitable rates of interest. The renewals of loans, of course, are being made at rates consistent with the present circumstances, but these do not compensate for the non-employment of large amounts of funds. The company is in fact making a loss at present on a considerable amount of funds in order that it may meet the demands of its debenture-holders, who may in the event of renewal of their debentures exact a higher rate of

The Bank of England continued its official rate of discount yesterday at 5 p.c.