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THE NEW BANK STATEMENT.

The bank statement for the month of April now published, confirms the suggestions regarding the details of the banks' business during that month, made in these columns last week in the course of discussion of several of the individual banks' reports for fiscal periods ending April 29th. Receipt of the proceeds of the recent \$75 million Dominion loan in New York and the granting of the banks' credit to the British Government, account, as is now well known, for the remarkable April increase in the banks' resources of approximately \$120 millions. This monthly increase is a very long way ahead of anything of the kind ever experienced before in Canadian banking, and the total assets now returned at over \$1,825 millions, are, of course, at a new high level. It is possible that the April assets will stand as a high record for at least some months to come, until new financing connected with the war gives the banks' resources a further impetus. It was understood that a further instalment of \$13 millions of the banks' credit to the Imperial Government was to be placed at the latter's disposal on May 1st, and a further \$13 millions, making, with the April instalment of \$50 millions, a total of \$76 millions, on June 1st. These instalments would have the effect of swelling yet further the banks' resources. These increases would, however, probably be offset by disbursements by the Dominion Government of the proceeds of the New York loan, while in any case \$25,000,000 will have to be disbursed on August 1st when the one-year notes negotiated in New York last year become due. If, however, during May and June the Canadian Government does not draw extensively on its balances, then possibly the May bank statement will show the banks' resources at an even higher level than at the end of April.

The effect of the New York borrowing is mainly seen in the great increase in deposits abroad from \$120,678,959 at March 31st to \$192,041,591, an advance of \$71,362,632 in the month, and in the

increase in New York bank balances from \$72,373,220 to \$114,804,744, a growth of \$42,431,524. Call loans abroad, while standing at the high figures of \$147,146,443, were only increased during April by \$5¼ millions. It has been suggested that the increase in balances with the New York banks is a part of the arrangement under which the \$75 million loan was floated. The balances would be left on deposit with the principal banks contributing them, until required for disbursement, in order that the money market might not be unduly disturbed.

The result of the credit to the British Government is seen in the advance in security holdings under the heading of Canadian municipal, British, colonial and foreign public securities. These are reported as \$93,052,470 at April 29th, compared with \$44,384,303 at March 31st, a net growth of nearly \$49 millions. On the liabilities side of the accounts, a new entry of balances due to the Imperial Government shows that only about half of the first instalment of the credit had been used up to April 29th, the balance then remaining being \$24,035,500.

Apart from results of these transactions, the bank statement shows several interesting developments. Circulation continues buoyant, the April figures of \$119,233,330 comparing with \$114,804,604 in March and \$96,288,398 in April, 1915. Currency requirements for payments of the troops mobilised in Canada as well as the activity in certain lines may, in part, account for this high level. Demand deposits were up during the month to \$402,060,955, a growth of \$12,895,567 for the month and of \$54,735,018 for the year. Notice deposits are also up substantially by over ten millions to the new high figure of \$748,359,957—a gain of \$62,284,833 compared with April, 1915. The effect of disbursements in Canada of the proceeds of the New York loan and of the use of the credit to the British Government will be, of course, to add to the banks' public deposits. For this reason, as well as on account of industrial activity, large railway earnings,

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