

expanding commercial needs in 1910. In December, 1909, the banks' current loans in Canada, which had been steadily increasing throughout the year, had reached the new high figures of \$592,742,000. At the same time, the additions to the banks' resources in 1909, were of so substantial a character that the banks increased their foreign call loans to a very large amount, the December, 1909, figures of \$138,505,000 being, in fact, a record in this regard. In addition, specie and legals, foreign bank balances and security holdings had been advanced considerably from their 1907 levels. So that there were ample resources available for meeting the demands for commercial loans in 1910. These expanded on the twelve-months by about 85 millions, and to a considerable extent were financed by the withdrawal of call loans from abroad, this item having been brought down by \$48,000,000 in twelve months, while the level of \$90,700,000 at which these loans stand in the December, 1910, bank return is the lowest since November, 1908, when they were \$85,200,000.

The December, 1910, position of the banks, in comparison with the position at December, 1909 and June, 1907, is shown in the following compilation:—

(000's omitted)

LIABILITIES.	June, 1907	Dec., 1909	Dec., 1910
Dom. Gov. deposits...	\$ 5,191	\$ 8,205	\$ 5,970
Prov. " " " " " "	10,450	24,592	24,714
Dep. of public, "demand"...	170,042	261,268	280,911
Dep. of public "notice"...	419,418	499,082	544,221
Dep. elsewhere...	59,176	75,088	70,575
Total deposits...	\$664,277	\$868,235	\$926,391
Note circulation...	75,510	81,326	87,695
	\$739,787	\$949,561	\$1,014,086
*Less notes and cheques other Canadian banks held..	29,517	45,792	48,045
Net liability...	\$710,270	\$903,769	\$966,041
AVAILABLE ASSETS.			
Specie and legals...	\$ 69,656	\$100,682	\$109,419
Net foreign bank balances...	6,970	25,840	32,362
Foreign call loans...	55,299	138,505	90,710
	\$131,925	\$265,027	\$232,491
Per cent. of liability...	18.57	29.32	24.06

\*This item is deducted because it represents obligations of the banks held by themselves.

From this table it appears that the position of the banks, after the enormous expansion which has taken place during 1910, is still much stronger than at the close of the period of more modest expansion in 1907. There has been very large growth in deposits. Whereas, in June, 1907, they were, including government deposits, \$664,000,000 or about \$52,000,000 less than loans, by December, 1909, they had grown to \$868,000,000, or \$20,000,000 more than loans. During 1910, deposits made a further, though less consistent, advance of

about \$58,000,000 and at December, 1910, stand at \$926,390,000, or over \$52,000,000 more than the total of the banks' loans.

So far as further additions to the banks' resources in the immediate future are concerned, additional paid-up capitalization, the continued influx of immigrants, and the sending of capital here by investors abroad, will, it is hoped, contribute substantially. A good deal of activity on the part of financial houses and promoters appears to be again in evidence in London in regard to Canadian issues, but it remains to be seen whether the market is in shape to absorb readily the offerings made. With an extensive increase of the crop area, and the stimulus of new population in large numbers, which appear not unlikely events of this year, there will follow, naturally, a continued brisk demand upon the banks for loans.

#### CANADA PERMANENT MORTGAGE CORPORATION.

Again in 1910, the figures of the balance sheet of the Canada Permanent Mortgage Corporation show a marked advance upon those of the preceding year, and there is ample evidence that the management of this well-known undertaking secured for it a desirable portion of the increased business which was offering as a result of the general activity of last year. The Corporation's position, in comparison with 1909, is shown in the following table of leading items from the balance sheets of 1909 and 1910:—

	1909.	1910.
Capital Stock...	\$ 6,000,000	\$ 6,000,000
Reserve Fund...	3,250,000	3,500,000
Net profits...	695,422	715,767
Deposits...	5,233,083	5,704,910
Debentures, sterling...	10,216,544	10,702,815
Debentures, currency...	3,069,840	3,276,691
Mortgages...	25,003,945	27,014,165
Total Assets...	28,382,710	29,782,942

There was in 1910, it will be seen, an encouraging increase in net profits. These reached \$715,767, an increase of upwards of \$20,000 upon those of 1909, which were \$695,422 and in turn, an increase over those of 1908. On this account, a sum of \$56,001 was brought forward so that the total for distribution was \$771,768. Of this amount the 8 per cent. dividend absorbed \$480,000; \$250,000 was transferred to reserve fund as in 1909, raising that fund to \$3,500,000, and a balance of \$41,768 is carried forward to the current year.

The Company's aggregate of assets again shows a marked advance, reaching at the close of 1910, \$29,782,942, an increase upon the 1909 total of just over \$1,400,000. Mortgages during the year increased by over \$2,000,000; deposits by nearly \$500,000; and currency debentures, by \$200,000. Sterling debentures again show a marked increase